

tains of the reservation branches, Mission Indian Federation, by reservations: Nicolas Chaparro, Los Coyotes Reservation; Charley Helmiupp, Secuan Reservation; Joaquin Piapa, Anaha Reservation; Jose Juan Piapa, San Gutudes Reservation; Jose Helmiupp, Campo Reservation; Florencio Subish, Yapicha Reservation; Rosendo Curo, Mesa Chiquita Reservation; Ysidro Montoya, San Felipe Reservation; Antonio Queras, Mataguay Reservation; Miguel Calac, Rincon Reservation; Junocencio La Chappa, San Ysabel Reservation; Sebastian Guassac, Puerta Noria Reservation; Jose O. Albinas, Potrero Reservation; Valentine J. Lachusa, Mesa Grande Reservation; Ramijo Robles, Pala Reservation; Vidal Mojado, La Jolla Reservation.

Whites: Robert Gessner, New York; Eda Lou Walton, New York; Mr. and Mrs. Gerald Cassidy, Santa Fe, N. Mex.; Dr. Jay B. Nash, New York City; Mr. and Mrs. George F. Barker, San Francisco; Mrs. Maria Lambin Rogers, New York City; L. V. McWhorter, Yakima, Wash.; Howard Welty, Oakland, Calif.

Mr. KING. I also have a telegram from Poplar, Mont., signed by Gus M. Hedderich, chairman, and Meade Steele, secretary general council, Fort Peck Indians, which I desire to have inserted in the RECORD without reading.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The telegram is as follows:

POPULAR, MONT., March 24, 1932.

General council meet to-day adopted resolution indorsing Indian statement addressed to Congress; also indorsement of Peavey resolution of March 3, 1932; also indorsed Frazier tribal council bill urging immediate enactment; also expressed its gratitude and congratulations to Senators FRAZIER, WHEELER, KING, and Congressmen HOWARD and PEAVEY, and other friends who are balloting for Indian rights; council renews its protest against new grazing regulations; also indorses Swing-Johnson Indian bill, resolutions unanimously adopted; also council calls on Wilbur and Rhoads to state what actions they propose to take to meet facts stated in Indian statement. Please bring actions of council to attention of all our friends in Washington. When minutes completed will mail you copies for your information.

GUS M. HEDDERICH,
Chairman Council Fort Peck Indians.
MEADE STEELE,
Secretary General.

RECESS TO MONDAY

Mr. FESS. Mr. President, I move that the Senate take a recess until Monday next at 12 o'clock noon.

The motion was agreed to; and the Senate (at 5 o'clock and 10 minutes p. m.) took a recess until Monday, March 28, 1932, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

THURSDAY, MARCH 24, 1932

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

This day, our Heavenly Father, bring every Member of this Congress into an experience of that knowledge, understanding, and judgment heretofore unknown. O do Thou support us with the opulence, with the might and the blessedness of a living faith. Lighten the burden that weighs down, that irritates, and drives to discouragement. Make us conscious of that power that can lift up and lead us in the way of a wise success. Most graciously be with our President and Speaker and all others who have been placed in authority over us. The blessed Lord God mercifully regard our country, the land that has filled so many great and profound souls with rapture and for the centuries past has been the asylum for earth's oppressed. Inspire us all to labor and to toil for its greatest good while the groaning, sweating, bleeding aspects of human life are passing by. In Thy holy name we ask mercy and the forgiveness of our sins. Amen.

The Journal of the proceedings of yesterday was read and approved.

THE REVENUE BILL

Mr. CRISP. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 10236, the revenue bill.

The SPEAKER. The gentleman from Georgia moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 10236.

Mr. LA GUARDIA. Mr. Speaker, pending that motion may I ask the gentleman from Georgia as to the advisability of attempting to secure unanimous consent so that after the amendment now pending, offered by the gentleman from Georgia, is disposed of—against which, I believe, there is no opposition—we could have a vote on the Doughton amendment, and for this reason: If the Doughton amendment is approved, it would avoid an epidemic of amendments to create further exemptions under the manufacturers' excise tax. If the Doughton amendment is not approved, then, of course, Members would be advised either to favor or oppose further exemptions. I suggest that the real test of this whole matter is on the Doughton amendment, and if the gentleman from Georgia would ask unanimous consent that we dispose of the existing amendment and then take up the Doughton amendment, I think that would save hours and hours of discussion.

Mr. CRISP. Mr. Speaker, answering the gentleman from Georgia, I am just as anxious to bring this matter to a final show-down as any Member of the House, but I do think that any Member who has an amendment to offer providing for further exemptions should be given that opportunity before a vote is taken on the Doughton amendment.

I appreciate thoroughly the motive of the gentleman from New York, and I am in sympathy with it; but it seems to me that if the House desires to expedite the matter and bring the issue to a vote, it could vote on the amendment I have proposed for the committee and then let any other gentlemen who have amendments offer them. While I have no disposition to curtail their debate, I believe these gentlemen in a few minutes could express the reasons why they were offering those amendments. Then when those amendments have been disposed of I would be perfectly delighted if the House would agree to let the final test come on the amendment offered by the gentleman from North Carolina [Mr. DOUGHTON] to strike out that paragraph, and personally I will agree that that shall be the test, and that if it prevails, all of the other manufacturers' tax titles or sections be eliminated from the bill.

However, there are three or four matters in this manufacturers' title that are not per se the sales tax. For instance, the tax on oil. There is a tax on imports of gasoline and oil, as well as a tax on lubricating oil. There is a tax on wort; there is a tax on malt; and there is a tax on grape concentrates. Therefore, I do not think that if we should have an agreement to permit the vote on the Doughton amendment to be the test as to the manufacturers' tax it would strike out the items I have named. Then the gentleman from New York [Mr. CULLEN] has an amendment which he wishes to offer levying a tax on beer. Personally, I think it would be in order; but that amendment would not come up until after you had disposed of these matters in connection with the sales tax, and then when we reach that part of the bill my friend's amendment could be offered.

Mr. JOHNSON of Washington. Mr. Speaker, will the gentleman yield?

Mr. CRISP. Yes.

Mr. JOHNSON of Washington. I am very glad to hear the gentleman's statement as to the rights of those with amendments. I desire to call attention to the fact that by unanimous consent the House agreed to dispense with the reading of certain parts of the bill and take up two particular sections. This leads to a bit of uncertainty. At the right place in the bill, at the right time, I desire to offer two amendments, one of which proposes to place at least a 100 per cent sales tax on any goods made in whole or in part by the type of forced labor prevailing in Russia, where no one is supposed to be unemployed and few paid, and I would like time to explain that amendment. Second, an amendment in the nature of a tax for the purpose of equal-

izing the depreciated currencies of countries in other parts of the world. I am dependent upon the chairman to assist me in an arrangement by which I will not be foreclosed from offering these amendments at the right place.

Mr. CRISP. Of course, I do not agree to support the gentleman's amendment.

Mr. JOHNSON of Washington. Oh, I do not ask that. The distinguished chairman must stand by his bill, but he can help others to help in this important amendment.

Mr. CRISP. Nor do I concede that the gentleman's amendments would be germane to the bill, but the place where they should be offered would be after the vote on that part of the bill placing a tax on oil, gasoline, and so forth.

Mr. JOHNSON of Washington. Exactly.

Mr. CRISP. And the suggestion I have made in no wise deprives the gentleman of any of his rights in that respect.

Mr. RANKIN. Will the gentleman yield?

Mr. CRISP. I yield to the gentleman from Mississippi.

Mr. RANKIN. As a matter of fact, would not all these amendments be germane to a subsequent provision of the bill to that covered by the amendment of the gentleman from North Carolina?

Mr. CRISP. I think they would be, but I will say to the gentleman from Mississippi that here is the trouble about that. Undoubtedly they would be in order there, but the unanimous-consent agreement we were trying to reach was to act on those amendments with respect to the first section, and then let the vote on striking out the first section be the final and complete test.

Mr. RANKIN. That was not the request, as I understood it.

Mr. PATTERSON. Mr. Speaker, if they are asking unanimous consent to do that, I shall object.

Mr. LA GUARDIA. If the gentleman will yield, my suggestion was this: There was an amendment pending offered by the gentleman from Georgia and there is an amendment to that amendment pending, and my suggestion was that we dispose of that amendment and then the committee amendment. The next step would be the amendment offered by the gentleman from North Carolina [Mr. DOUGHTON]. If that is approved, all the other amendments would not be necessary. Therefore I thought we would save time if, after disposing of the amendment offered by the gentleman from Georgia, against which there is no opposition that I know of, we would take a vote on the Doughton amendment.

Mr. CRISP. I am perfectly agreeable to that.

Mr. O'CONNOR. Will the gentleman yield?

Mr. CRISP. I yield to the gentleman from New York.

Mr. O'CONNOR. Some Members may be in the same position I am and may desire to offer an amendment to the gentleman's amendment. For instance, I desire to offer an amendment to the gentleman's amendment with respect to malt sirup, and if this agreement were entered into, disposing of the committee amendment, that might preclude my amendment.

Mr. CRISP. It would not in any wise interfere with that.

Mr. O'CONNOR. The logical and appropriate way would be to offer the amendment to the gentleman's amendment. For instance, in the exemptions which the gentleman has proposed to add to the bill, I understand there is included malt sirup used by bakers.

Mr. CRISP. That is correct.

Mr. O'CONNOR. I wish to offer an amendment exempting malt sirup used in the making of malted milk.

Mr. CRISP. I think that would be perfectly in order as an amendment to the amendment when the amendment of the gentleman from New Jersey [Mr. LEHLBACH] is either voted up or down. The gentleman from New Jersey has an amendment to the committee amendment pending, and when that is voted up or down, I think the gentleman's amendment would be in order.

Mr. LINTHICUM. Will the gentleman yield?

Mr. CRISP. Yes.

Mr. LINTHICUM. Am I to understand that the gentleman considers that the tax on oil is not a part of the sales tax, and even though the sales tax were stricken out, the tax on oil would still remain?

Mr. CRISP. I may say to my friend that this agreement in no wise interferes with that. The committee would have a separate chance to vote on whether it is going to eliminate the oil tax or not.

Mr. LINTHICUM. Even though the sales tax per se were eliminated?

Mr. SNELL. Will the gentleman yield?

Mr. CRISP. I yield to the gentleman from New York.

Mr. SNELL. It seems to me that in the interest of orderly procedure we should start this morning just exactly as we would proceed if we had read the bill up to Title IV, and I would not want to agree to any unanimous-consent request to do anything different.

Mr. CRISP. Well, that settles it.

The SPEAKER. The question is on the motion of the gentleman from Georgia that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 10236.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 10236, the revenue bill, with Mr. BANKHEAD in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. In order that there may be no misunderstanding about the parliamentary situation, the Chair will direct the Clerk to report, first, the pending committee amendment offered by the gentleman from Georgia, Mr. CRISP; next the pending amendment to the committee amendment, offered by the gentleman from New Jersey, Mr. LEHLBACH; and after that the motion filed by the gentleman from North Carolina, Mr. DOUGHTON.

The Clerk again reported the Crisp amendment, as follows:

Committee amendment offered by Mr. CRISP: On page 225, after line 13, insert the following new paragraphs:

"(1) Sales of food for human consumption (including those grades and forms of articles chiefly used as food for human consumption in the form in which sold or after processing or as material for such food; but not including any article enumerated in subsection (d)).

"(2) Sales of wearing apparel for any part of the body.

"(3) Sales of agricultural implements and machinery.

"(4) Sales of medicines.

"(5) Sales of insecticides, fungicides, and herbicides, if chiefly used for agricultural purposes.

"(6) Sales of malt sirup, in containers containing not less than 50 pounds each, to a baker for use in the making of bread."

Mr. ABERNETHY. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. ABERNETHY. I have just come into the Hall, and there has been so much confusion I have not understood what was going on. I would like to know what is before the House so that I can vote intelligently.

The CHAIRMAN. The Chair has directed the Clerk to read the parliamentary situation. He has read the amendment offered by the gentleman from Georgia and was about to read the amendment of the gentleman from New Jersey [Mr. LEHLBACH].

Mr. LEHLBACH. Mr. Chairman, I ask unanimous consent to modify the amendment by adding just preceding the amendment "sales of," in order to make it conform with the language of the committee amendment.

The CHAIRMAN. The Clerk will report the modified amendment.

The Clerk read as follows:

Modified amendment offered by the gentleman from New Jersey: At the beginning, insert the words "sales of," so that the amendment will read "Sales of merchant vessels constructed in American shipyards under the provisions of the merchant marine act of 1920 and 1928, as amended, and all material, equipment, and furnishings therefor, for which the Government has agreed to loan more than 50 per cent of the cost."

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from North Carolina [Mr. DOUGHTON].

The Clerk read as follows:

Amendment offered by Mr. DOUGHTON: Page 225, strike out paragraph (a), beginning with line 8, on page 225, down to and including line 6, on page 226.

Mr. O'CONNOR. Mr. Chairman, I desire to offer an amendment to the committee amendment.

The CHAIRMAN. The Chair will state that on Tuesday the gentleman from New Jersey was recognized formally to offer an amendment and that amendment is pending.

Mr. O'CONNOR. I thought the gentleman from New Jersey might yield, as my amendment would take precedence.

Mr. SCHAFER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SCHAFER. When will it be in order for me to offer a perfecting amendment to the committee amendment?

The CHAIRMAN. Not at this stage, not until the amendment of the gentleman from New Jersey is disposed of.

Mr. LEHLBACH. Mr. Chairman, I sincerely trust that the committee will give its consideration to the pending amendment on its merits, regardless of their views on the subject of manufacturers' sales tax generally.

The manufacturers' sales tax as it is written, applies to merchant vessels.

Immediately at the conclusion of the war, and for the 13 years succeeding, the American Government has expended hundreds of millions of dollars to establish and maintain and develop a merchant marine. To that end it has established certain necessary trade routes, has established steamship lines and operated those lines, even by the Government itself.

From time to time it has sold these lines under contract with the purchasers that they must maintain these trade routes.

In order that this may be done, the Congress in 1928, supplementing the merchant marine act of 1920, provided for the awarding of certain mail contracts. In the administration of the mail-contract policy the money paid out for mail contracts was largely earmarked for new construction, because unless replacements are continually made, the merchant marine will become obsolete, because the life of a ship is only 20 years.

In addition to these mail contracts, the money from which is paid in new construction, the Government, out of the construction loan fund, lends for new construction three-quarters of the cost of the ship, at a rate of interest no greater than that paid by the Government for the use of money.

By this means we have at the present time various ships in the course of construction, and will continue to construct new ships to replace those falling into disuse by reason of superannuation. To make this tax applicable to these ships built under the policy of the Government with the money of the Government, would simply be to knock into a cocked hat the entire merchant-marine policy. It was not within the contemplation of anybody when a manufacturers' sales tax was proposed that it should apply to a merchant vessel any more than to an office building. The amendment is reasonable and fair, and simply protects the Government itself in one of its major enterprises.

Mr. BLAND. Mr. Chairman, I shall take very little time of the committee. First, let me ask the gentleman from New Jersey [Mr. LEHLBACH] if his amendment covers only sales of ships, or if it covers also the manufacture of ships?

Mr. LEHLBACH. It does. It covers the tax that might otherwise be placed on these ships, and it only covers the tax on ships constructed in our own yards pursuant to the policy laid down in the merchant marine acts of 1920 and 1928, and only where the major part of the money is furnished by the Government.

Mr. BLAND. The result of the tax would be, as the gentleman from New Jersey has pointed out, that the Government in large part would be taking money out of one pocket and transferring it to another pocket. To that extent it might seem unobjectionable, but, nevertheless, there is a serious objection to that tax. We are trying to build up a merchant marine. The purpose of the 1928 act was to build

up a merchant marine. The necessity for a merchant marine is to enable the country to be placed in a position of defense, and, in addition to placing the country in a position of defense, to enable the farmers, the agricultural interests, the manufacturing interests, merchants, and other interests to have a domestic carrier for domestic products, and thus help in promoting our foreign business.

Mr. STAFFORD. Mr. Chairman, will the gentleman yield? Mr. BLAND. Yes.

Mr. STAFFORD. Why should the shipyards of the country that are already receiving a bounty from the Government receive any further bounty as contradistinguished from the manufacturers of locomotives or other lines?

Mr. BLAND. I can not see that there would be a bounty to a shipyard. The money would come out of the shipowner. However, it would materially interfere with the construction of ships so necessary to the defense of the country and for the promotion of our foreign commerce.

Mr. RANKIN. I suggest that the gentleman wait until we vote on the Doughton amendment, and when we adopt that, that will exempt them all.

Mr. BLAND. That may be true, but at the same time there is always the danger of nonadoption. It would seem to be necessary in the development of this particular interest that is so materially for the protection of our country and the protection of our commerce that the amendment of the gentleman from New Jersey should prevail.

Mr. BRITTEN. Mr. Chairman, will the gentleman yield?

Mr. BLAND. Yes.

Mr. BRITTEN. Is it not a fact that the Government is practically a 75 per cent owner in all such ships that to-day fly the American flag?

Mr. BLAND. Seventy-five per cent of the cost is contributed by the Government, which is to be repaid to the Government.

Mr. LAGUARDIA. The gentleman from Illinois says the Government is a 75 per cent owner. He should say that it is a 75 per cent donor.

Mr. BLAND. I should say lender rather than donor.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey.

The question was taken; and on a division (demanded by Mr. LEHLBACH) there were—ayes 130, noes 110.

Mr. STAFFORD. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed Mr. LEHLBACH and Mr. STAFFORD to act as tellers.

The committee again divided; and the tellers reported—ayes 149, noes 145.

So the amendment was agreed to.

Mr. O'CONNOR. Mr. Chairman, I offer the following amendment to the committee amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. O'CONNOR to the Crisp amendment: After the word "bread," which is the line in the Crisp amendment, insert "and malt sirups sold and used for the manufacture of malted milk or other medicinal products."

Mr. O'CONNOR. Mr. Chairman, while malted milk is exempt and medicines are exempt, the committee amendment added an exemption for malt sirup in the making of bread. Malted milk is more of a medicine than a beverage. I also understand that in the hospitals throughout the country a lot of malt sirups are used in the making of medicinal preparations.

Mr. CRISP. Mr. Chairman, the committee has no objection to the amendment of the gentleman from New York. We intended to exempt all those malt sirups.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The amendment was agreed to.

Mr. GLOVER. Mr. Chairman, I offer the following amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. GLOVER to the pending Crisp amendment: After paragraph (6) of the Crisp amendment add the following as paragraph (7):

"Sales by licensed manufacturers of gases, electricity, or power to be used in production of agriculture crops, and the preparation of seed crops for marketing purposes."

Mr. GLOVER. Mr. Chairman and gentlemen of the committee, the only purpose of this amendment is to exempt power used in the production of agriculture. It is a matter to which I called the attention of the chairman a few days ago. At that time the gentleman from Georgia [Mr. CRISP] said that he thought there was some merit in it, or words to that effect. Here is the situation that I am trying to reach.

In my district there is one of the largest rice fields in the United States. It is in a prairie country. It takes hundreds of pumps to pump the water to overflow the lands or cover the lands so that rice will grow. There are hundreds and hundreds of acres of it. That has to be produced by electric pumps pumping the water to cover the land.

I have a telegram from those people growing rice saying that this tax would possibly put them out of that production. The purpose of this bill all the way through has been to exempt agriculture. The amendment I have offered goes farther than that, and would exempt the gins that are ginning cotton. Every southern man who has a cotton gin in his district ought to be in favor of this amendment.

Why do we want to penalize the man who grows cotton or rice, or the man who grows other agricultural products? All in the world this does is to exempt that part of this power, either gas or electricity, that is used for that purpose. This amendment would also affect the dairying interests, where electric milkers are used. They would be exempted from this tax. I am sure many of the members of the Committee on Ways and Means will be favorable to this, and I can not see why this amendment should not be accepted by the committee.

The gentleman from Georgia [Mr. CRISP] was very kind in his statement about it the other day, and I am sure he feels it is a worthy amendment. If it were not so, I would not offer it, but this is something that should be exempted. If this bill passes, it is an exception that ought to be put into the bill, and this is the proper place to put it in.

I hope that every man who is interested in agriculture will vote for this amendment.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. GLOVER. I yield.

Mr. WHITTINGTON. Unless this does pass, it means that practically every bale of cotton will be taxed from 50 to 80 cents a bale?

Mr. GLOVER. Yes.

Mr. RANKIN. Will the gentleman yield?

Mr. GLOVER. I yield to the gentleman.

Mr. RANKIN. It would not after we adopt the Doughton motion.

Mr. GLOVER. Well, it would not hurt that. I am for the Doughton amendment.

Mr. CRISP. Will the gentleman yield?

Mr. GLOVER. I will be glad to yield to the gentleman from Georgia.

Mr. CRISP. I will state that I did call this up before the committee, but in the multitudinous things before the committee, no final decision was reached. As far as I am concerned, I have no objection to it.

Mr. GLOVER. I thank the gentleman, and I hope the amendment offered by me will be adopted.

Mr. BARBOUR. Mr. Chairman, I desire to offer a substitute for the amendment just offered by the gentleman from Arkansas [Mr. GLOVER].

The CHAIRMAN. The Chair will suggest to the gentleman from California that an amendment of that sort would not be in order. It would be an amendment in the third degree. We are now considering a committee amendment, and there has been an amendment offered to the committee amendment.

Mr. BARBOUR. It would not be in order as a substitute?

The CHAIRMAN. The Chair thinks not.

Mr. STAFFORD. If the Chair will permit, there are four motions that might be entertained at any time, namely, an amendment, an amendment to that amendment, a substitute,

and an amendment to the substitute. As I understand the proposal of the gentleman from California, he offered his amendment as a substitute for the amendment offered by the gentleman from Arkansas. I do not say that it is a substitute; but if it is offered as a substitute, it is in order and is not within the restricted class of being within the third degree.

The CHAIRMAN. The Chair will state to the gentleman from Wisconsin and the gentleman from California that as the amendment is offered, it is offered to the Crisp amendment. There is already one amendment pending.

Mr. STAFFORD. Then it is an amendment in the third degree.

Mr. BARBOUR. I would like to state that I am offering it as a substitute, but to be added to the Crisp amendment in the event it is passed.

The CHAIRMAN. The gentleman can offer it after the amendment offered by the gentleman from Arkansas [Mr. GLOVER] is disposed of.

The question is on agreeing to the amendment offered by the gentleman from Arkansas.

The question was taken; and on a division (demanded by Mr. GLOVER) there were ayes 126 and noes 110.

So the amendment was agreed to.

Mr. BARBOUR. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BARBOUR: Add as a new paragraph to the Crisp amendment the words "electrical power or energy."

Mr. BARBOUR. Mr. Chairman, I think the committee has acted wisely in accepting the amendment offered by the gentleman from Arkansas [Mr. GLOVER], because electricity used on the ranches is just as necessary in the operation of a farm or ranch and in the production of a crop thereon as is fertilizer or farm implements or feed for livestock, or any of the other things that have been exempted in the bill or in the Crisp amendment. The amendment offered by the gentleman from Arkansas is entirely consistent with the position of the committee in regard to the other exemptions, so far as agriculture is concerned.

My amendment will go farther. It will exempt all electricity. Electricity is one of the most necessary things and is used in practically all of the homes of this country. In the country, in the villages, and in the cities we all use electricity. The rich use it and the poor use it, and if we tax electricity that is used in the homes, we are placing a tax on the very people we are trying to exempt in the Crisp amendment by exempting the necessities of life.

Mr. DYER. Will the gentleman yield?

Mr. BARBOUR. I yield.

Mr. DYER. If we exempt everything that pertains to agriculture, as we are starting to do, where will we get any money to balance the Budget?

Mr. BARBOUR. This does not exempt everything. It exempts electricity. The committee has adopted a policy, which is evidenced by the Crisp amendment, of exempting the necessities of life, and I submit this amendment to the Committee of the Whole House on the state of the Union in line with the policy of the Crisp amendment, because it exempts another necessary—electricity—which, to my mind, is just as essential in our daily life and just as necessary as clothing or food.

Mr. COLE of Iowa. Will the gentleman yield?

Mr. BARBOUR. Yes.

Mr. COLE of Iowa. Can the gentleman tell us how much this would mean in reduced revenue?

Mr. BARBOUR. I can not say. I have not those figures.

Mr. PATTERSON. Will the gentleman yield?

Mr. BARBOUR. Yes.

Mr. PATTERSON. I understand that the gentleman's amendment exempts all the electricity used in the homes of the people who are out of work?

Mr. BARBOUR. All electricity. In addition to that, I may say that in this country there are many small electric railroad lines that to-day are operating at a loss. They are rendering a real service to the people of this country and are

doing so at a loss. If they are taxed under this bill, it would simply add to their operating loss.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. BARBOUR. Yes.

Mr. LAGUARDIA. Is the gentleman's amendment sufficiently broad to cover cities as well.

Mr. BARBOUR. Everything. It exempts all electrical power or energy.

Mr. LAGUARDIA. In view of the action taken by the committee on the previous amendment, it would seem to me there could be no argument against this amendment.

Mr. COLTON. Will the gentleman yield?

Mr. BARBOUR. Yes.

Mr. COLTON. The gentleman's statement is correct regarding interurban lines. It is also true regarding mines. Our mines are shut down because they can not keep up expenses, and many of them get their power from electrical energy.

Mr. BARBOUR. Electricity is one of the very necessary things that we use in the home and in practically every activity of our daily life.

Mr. MOUSER. Will the gentleman yield?

Mr. BARBOUR. I yield.

Mr. MOUSER. Why does not the gentleman include natural gas?

Mr. BARBOUR. The gentleman can offer an amendment to that effect. I did not want to try to cover too much ground, but rather to confine my amendment to the one thing—electricity.

Mr. STRONG of Kansas. Will the gentleman yield?

Mr. BARBOUR. Yes.

Mr. STRONG of Kansas. Does it not include all use of power?

Mr. BARBOUR. All use of power; yes. That is what I am aiming at.

Mr. CRISP. Mr. Chairman, I hope this amendment will not be adopted. If it is adopted, you will lose in revenue \$12,000,000. With the exemptions that have already been proposed, practically all of the necessities of life are exempt. All food and all material that goes into the making of human food is exempt. All wearing apparel is exempt. However, under the bill the material that goes into the manufacture of wearing apparel is subject to the 2¼ per cent tax. But, gentlemen, with the exemptions that have been proposed by the committee, the tax will practically apply to basic industries, and as it is reported by the committee, with the committee amendment engrafted into it, it will raise from \$450,000,000 to \$460,000,000.

Now, this tax on electricity is not burdensome. I regret we have to tax anything. This tax is based on the manufacturers' wholesale cost at the switch—not covering the service and sales agencies—and it is 2¼ per cent on the wholesale manufacturers' price. The average wholesale manufacturers' price of electrical energy at the switch is about half a cent a kilowatt-hour. This tax is not levied on the retail price but on the wholesale price.

There is no need of my discussing it further. I have presented the facts to you, and I hope the amendment will not prevail.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. CRISP. Yes.

Mr. WHITTINGTON. As I understand the amendment—and I want to see if I am correct—this would exempt all electricity used domestically, agriculturally, and industrially?

Mr. CRISP. Yes.

Mr. WHITTINGTON. Altogether?

Mr. CRISP. Yes.

Mr. ESTEP. Will the gentleman yield?

Mr. CRISP. Yes.

Mr. ESTEP. The gentleman stated that if this amendment were adopted it would take about \$12,000,000 out of the proposed increase in taxes?

Mr. CRISP. That is what the expert tells me.

Mr. ESTEP. Can the gentleman tell us how much the adoption of the amendment offered by the gentleman from Arkansas will cost?

Mr. CRISP. It is estimated to be about \$500,000.

Mr. GIFFORD. Will the gentleman yield?

Mr. CRISP. Yes.

Mr. GIFFORD. I would like to ask the gentleman whether Canada taxes electrical power?

Mr. CRISP. I will answer the gentleman candidly by saying I do not know. I did not go to Canada this fall with the Hearst party, so I can not answer that question.

Mr. GIFFORD. May I read one sentence from the report?

Mr. CRISP. Yes.

Mr. GIFFORD (reading):

Electric power is of such great use in our manufacturing industries, which we wish to encourage, that we are not directly taxing it.

I wonder if anybody could inform us whether, if they do not tax it directly, they are indirectly taxing it?

Mr. CRISP. I would answer my friend if I could, but I will not make any statement that I do not know to be accurate. I will not give any misinformation.

Mr. YON. Will the gentleman yield?

Mr. CRISP. Yes.

Mr. YON. In one community in my district the city is furnished with electricity by a power company under contract. Where would the tax be collected in that instance?

Mr. CRISP. Under the law, where a city performs strictly a governmental function, it is exempt from this tax. Therefore, if the city were operating a municipal electric plant or gas plant, the power or the gas which the city itself consumes would not be subject to the tax, but the gas or electricity which the city sold to private individuals is not strictly a governmental business and the tax would apply in such a case.

Mr. RAINEY. Mr. Chairman, there is no tax on electricity in Canada. The Government has a monopoly on the production of electricity, almost a complete monopoly, and the Government does not tax itself. There is no tax in Canada.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California.

The question was taken; and on a division (demanded by Mr. BARBOUR) there were—ayes 54, noes 153.

So the amendment was rejected.

Mr. BURTNESS. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. BURTNESS: In paragraph 3 of the committee amendment, after the word "machinery," insert a comma and the following: "including parts thereof; harness and harness hardware."

Mr. BURTNESS. Mr. Chairman, I would like to have the attention of the chairman of the committee for a moment. In the amendment exempting farm machinery was it not the intent of the committee that parts for such machinery were also to be exempted?

Mr. CRISP. It was not, I will say to my friend. The committee felt as if they could not continue to broaden the exemptions and get anything at all from the tax, and the committee felt, and I feel now, that if anyone will consider this bill in its entirety he will see that the farmers have been given every possible consideration.

Mr. BURTNESS. Mr. Chairman, I have talked with a number of members of the committee with reference to this matter, and most of them told me that they believed that parts of machinery were to be exempted and that the whole would include the elements thereof. I recognize the answer given by the chairman of the committee as being a frank statement of his view of the matter, and, of course, it confirms the doubts I entertained as to the construction that would be placed thereon and what I perceive as the need of adopting my amendment.

The amendment which I am proposing is really two amendments, but I have offered them together in order to save time. I shall ask unanimous consent to have the amendment divided when the vote is taken.

To start with, the first proposal is one of exempting parts of machinery, and I may say to the members of the commit-

tee that if they are going to give any particular benefit by this exemption to the farmers of the country during the next two years it is far more necessary to exempt parts of farm machinery from the tax than it is to exempt new machines, for the farmers of the country, at least in our section, are not going to be buying much new machinery but a great many new parts with which to repair old machinery.

A tax upon the repairs needed for a binder or a mower or any other necessary farm implement is a tax almost upon misfortune, and I hope there will be practically no votes against that portion of the amendment which will exempt from the manufacturers' tax the parts that go into farm machinery; the parts that will have to be purchased by all farmers of this country during the next few years and until there is enough restoration of prosperity so that they can afford to buy new machinery. Such parts are very expensive, anyway, and the farmers can not and should not pay a dollar, a nickel, or a penny more for them.

Mr. STAFFORD. Will the gentleman yield?

Mr. BURTNESS. No; I can not yield. I do not want to ask for an extension of time, hence must decline to do so.

The second portion of the amendment simply exempts harness and harness hardware. As stated, I will ask that the two propositions be voted on separately, so that the Members may pass upon the merits of each independently.

The same principle which applies to the exemption of farm implements and farm machinery, of course, applies to harness, but in this connection there is even an additional reason. One of the most important things in the restoration of agriculture, it seems to me, in the next few years is to try to get away from vast mass production on the farms through the use of expensive tractors and power equipment. It would be a wonderful thing for all the people of the country if the farmers could get back to the more general use of horses for their motive power. [Applause.]

Let us not put a burden, then, upon the individual farmer who wants to again start using horses in the place of tractors and who has to buy harness in order to do so, but let us in this bill to a slight extent encourage such a change and exempt that portion of the farmer's cost of production represented by the purchase of harness and harness hardware, for, of course, the expenditures therein affect directly the farmer's cost of production, which in turn may affect the price of the crop or product raised to the consumers when they buy it.

I submit the amendments for your consideration with confidence that you will find them meritorious. While I appreciate the consideration given agriculture in this bill, you can not do too much for it, as there is no class in the country in as desperate straits as are the farmers. Remember, too, that whatever is done for them to reestablish their purchasing power will be helpful to all other classes in our population.

[Here the gavel fell.]

Mr. BURTNESS. Mr. Chairman, I ask unanimous consent that the amendment may be divided, so that the question of exemption as to parts of machinery may be put separately and then the rest of the language voted upon.

The CHAIRMAN. In the opinion of the Chair, the amendment contains more than one substantive proposition. The Clerk will report the first part of the amendment.

The Clerk read as follows:

In paragraph 3 of the committee amendment, after the word "machinery," insert a comma and the following: "including parts thereof."

The CHAIRMAN. The question is on the first part of the amendment.

The question was taken; and the Chair being in doubt, the committee divided, and there were—ayes 94, noes 74.

So the first part of the amendment was agreed to.

The CHAIRMAN. The Clerk will report the remainder of the amendment.

The Clerk read as follows:

In paragraph 3 of the committee amendment, after the word "machinery," insert a comma and the following: "harness and harness hardware."

The question was taken; and on a division (demanded by Mr. CRISP) there were—ayes 62, noes 81.

So the second part of the amendment was rejected.

Mr. COX. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Amend the committee amendment offered by Mr. CRISP by adding a new subsection, as follows:

"8. Sales of crates, baskets, boxes, bags used for the handling, packing, or shipping of fruit and vegetables."

Mr. CRISP. We have no objection to that amendment.

Mr. GREEN. Mr. Chairman, I offer a substitute for that amendment.

The Clerk read as follows:

Insert at the end the following new paragraph:

"7. Sales of articles to be used as containers of any kind for fruit and vegetables in any form."

The CHAIRMAN. The Chair will state to the gentleman that this is an amendment in the third degree.

Mr. GREEN. This amendment is broader than that offered by the gentleman from Georgia. I was wondering how it can be offered.

The CHAIRMAN. It can be offered as a new paragraph after the other amendment is disposed of. The question is on the amendment offered by the gentleman from Georgia [Mr. Cox].

The question was taken, and the amendment was agreed to.

Mr. GREEN. Now, Mr. Chairman, I offer the amendment which is at the Clerk's desk.

The Clerk read as follows:

Add to the committee amendment: Insert at the end the following new paragraph:

"Such sales of articles to be used as containers of any kind for fruit or vegetables in any form."

Mr. GREEN. Mr. Chairman, this amendment is important. It goes farther than the amendment offered by the gentleman from Georgia. It would exempt any kind of containers used for fruits or vegetables of any kind or any container in any form. In other words, the canning industry of the country is canning the surplus of our vegetables and fruits. This would exempt the container of those goods, as well as barrels and baskets and hampers used for shipping.

Of course, I favored the amendment offered by the gentleman from Georgia [Mr. Cox]. In fact, it is in part the amendment I am now offering. The fruit and vegetable growers and shippers favor the amendment.

Mr. CRISP. Mr. Chairman, I am constrained to oppose this amendment. It will lose us \$4,000,000. It will affect the canning of any kind of food products, meat, vegetables, or anything else. The food in them and all parts of the food are exempt. I am willing for the adoption of amendments that will aid in carrying out the full scheme of the bill to exempt the farmers, but when you go as far as this you are exempting the big tinning plants, the mills that make the tin, and this bill will not produce anywhere like the adequate revenue, even if the House adopts it. I hope the amendment will be defeated.

Mr. HARE. As I understand, the Cox amendment takes care of baskets and hampers for shipping fruits and vegetables.

Mr. CRISP. It does, and I said that I had no objection to it.

Mr. BLAND. Does it exempt fish products, containers carrying fish for food?

Mr. CRISP. What is the nature of the container?

Mr. BLAND. Usually in crates or barrels.

Mr. CRISP. My information is that it does.

Mr. WHITE. Mr. Chairman, I move to strike out the last word. The case of the farmer in connection with these food products has been presented here in consideration of the amendment of the gentleman from Florida [Mr. GREEN], and the gentleman from Georgia [Mr. CRISP] has presented opposition to the manufacturers of tin cans. There is still a third element interested in this matter, and that third element consists of the consumers of food. It is my opinion—and I believe this House is in agreement with me—

that American citizens should be permitted to live before they are compelled to assume the burdens of taxation.

Mr. CRISP. Mr. Chairman, will the gentleman yield?

Mr. WHITE. Yes.

Mr. CRISP. I have not the slightest doubt that this tax on cans, negligible as it is, will be absorbed by the canners and will not affect the consumer at all.

Mr. WHITE. I believe we should stand firmly by the principle that the poor people in the cities of the United States as well as in the country should be exempted from taxes until they at least have an opportunity to make a living.

Mr. MURPHY. Mr. Chairman, will the gentleman yield?

Mr. WHITE. Yes.

Mr. MURPHY. The answer given by the chairman of this committee would apply to everything in the way of a sales tax. It will be absorbed, but it is the poor man who will absorb it, because he is the man who is eating out of the cheap tin can. The poor man lives out of these tin cans, and you are going to put a tax on the users of these food products. Here is a chance for you fellows who are against the sales tax to do something real and tangible and worth while.

Mr. WHITE. Mr. Chairman, I hope the amendment of the gentleman from Florida will prevail.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. GREEN].

The question was taken, and the amendment was rejected.

Mr. GREEN. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. GREEN to the committee amendment offered by Mr. CRISP: Insert at the end thereof the following new paragraph:

"(8) Sales of turpentine or resin."

Mr. GREEN. Mr. Chairman, I would particularly like to have the attention of those from the naval stores-producing States, and those from the paint, the soap, and the varnish manufacturing States. Naval-stores production for this year has declined because the producers are not realizing the price of production in many cases. There is some question as to whether naval-stores products may be properly classified as farm products. At the last session of Congress we passed a special act bringing gum turpentine and gum resin under the provisions of the marketing act, so that the Federal Farm Board could lend some assistance to this industry.

Mr. CRISP. Mr. Chairman, will the gentleman yield?

Mr. GREEN. Yes.

Mr. CRISP. Practically all of those resins and turpentines are used in further manufacture. If they are used in further manufacture and sold to licensed manufacturers they are exempt.

Mr. GREEN. Then the chairman should not object to this amendment. We want to be sure that these products are protected. Of the producers in my district, I am informed only a few did not lose money last year. If you want those making soap in your districts, making paint in your district, or making varnish in your district, as well as other manufactured articles to pay more, then put an additional tax on this agricultural product. It is highly important that we protect all lines of the farming industry. This is a line of farming. As an industry it is now distressed, as are some of the wheat and cotton industries.

Mr. LaGUARDIA. Can any of the articles mentioned in the amendment be used of and by themselves as such?

Mr. GREEN. Yes. They are used to mix in paint, and for other purposes.

Mr. LaGUARDIA. If they are, they are not taxed.

Mr. GREEN. Oh, no; the gentleman is wrong. A consumer will buy a gallon of paint and add probably a quart of turpentine.

Mr. LaGUARDIA. It becomes a component part of the paint, and the paint is taxed and the turpentine is not.

Mr. GREEN. Oh, no; I beg the gentleman's pardon. I asked for information and I was reliably informed that naval stores would be taxed.

Mr. CRISP. Mr. Chairman, will the gentleman yield?

Mr. GREEN. Yes.

Mr. CRISP. I know something of naval stores, and a great part of them are exported. Under this bill exports are not taxed, and if they are used in further manufacture they do not pay a tax. The amendment is unnecessary.

Mr. GREEN. The gentleman knows as well as I do that the naval storesmen are going in the hole every day. I hope the amendment will be adopted. In fact, I am informed that these products are not exempt, and I believe this industry should stand on all fours with other agricultural products.

Mr. HARE. Mr. Chairman, I am apprehensive that the House is not fully advised as to the full purport of the amendment offered by the gentleman from Florida. I have the impression that many Members of the House do not recognize turpentine and resin as farm products. In my section of the country turpentine is looked upon as a farm product very much as corn or wheat or cotton. I can best illustrate it by saying that in my boyhood days I assisted in working a turpentine farm. For example, I would plow cotton one day, chip pines the next day, would plow corn the following day, and dip resin the next. We used the same wagons used in our other farm operations in transporting the resin to the still, and we used the same farm team in transporting it to the turpentine still or market. Therefore, it is purely a farm crop. There is no doubt but that the tax will be levied by the man who first processes the resin. The man who distills the resin and places the turpentine on the market will not know whether it is going into a manufactured product or not. He sells it in the raw state. Turpentine is sold primarily in the raw state, and the acting chairman of the committee knows that it is sold primarily by the man who distills it. There is no processing after it passes his hands until it reaches the manufacturer of paint, varnish, or soap, and under the law the distiller would be compelled, as I understand, to pay the tax; but afterwards, if it goes into paint or into soap or into some other product, the second manufacturer would not be required to pay the tax, for the tax is already paid by the original producer and collected from the original producer. I can see a great deal more merit in this amendment than has been credited to it, because if we are going to exempt a farm crop or a farm product or a processed farm product, and I think we should, then turpentine should be included just as flour made out of wheat should be included or just as meal made out of corn should be included. I think the amendment should be adopted. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. GREEN].

The amendment was rejected.

Mr. CRISP. Mr. Chairman, I have no desire to cut off amendments, but some of the gentlemen who are on the other side of this bill have asked me to see if we could not get some agreement as to the closing of debate on this amendment and all amendments thereto. So, Mr. Chairman, I ask unanimous consent that debate on this amendment and all amendments thereto shall close at 2 o'clock.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia [Mr. CRISP]?

Mr. LaGUARDIA. Mr. Chairman, reserving the right to object—

Mr. BLANTON. Mr. Chairman, reserving the right to object—

Mr. CELLER. Mr. Chairman, regular order.

Mr. CRISP. Mr. Chairman, then I move that all debate on this amendment and all amendments thereto be closed at 2 o'clock. That does not prevent the offering of amendments which it is desired to offer.

Mr. MAPES. Mr. Chairman, before that motion is put, will the gentleman permit me to ask a question?

Mr. CRISP. I yield.

Mr. MAPES. There seems to have been a disposition on the part of a great many Members to offer amendments to the amendment which the gentleman from Georgia has offered, to exempt from the sales tax certain articles of manufacture. I am interested in offering an amendment—

Mr. BLANTON. Mr. Chairman, I ask for the regular order.

Mr. MAPES. Will the gentleman not withhold that for a moment?

Mr. BLANTON. Well, we would all like to make a speech on this. Regular order, Mr. Chairman.

The CHAIRMAN. Regular order is demanded.

The question is on the motion of the gentleman from Georgia [Mr. CRISP] that all debate on this amendment and all amendments thereto shall close at 2 o'clock.

The motion was agreed to.

Mr. LANKFORD of Virginia offered an amendment, which the Clerk reported, as follows:

At the end of the committee amendment offered by Mr. CRISP add the following paragraph: "Shipping containers for farm and garden products produced in the United States."

Mr. CRISP. Is that not the substance of an amendment that has already been adopted?

Mr. LANKFORD of Virginia. No; I think not. My intention was only to include crates for strawberries, kale, potato barrels, and things like that. I am willing to put in the words "wooden containers" in order to try to get the amendment in line with the thought which the gentleman suggested he would not object to a few moments ago.

Mr. CRISP. I think the amendment offered by the gentleman from Georgia [Mr. Cox] covers the situation.

Mr. LANKFORD of Virginia. I was unable to ascertain just what his amendment provided.

Mr. CRISP. The gentleman from Georgia [Mr. Cox] offered an amendment which I stated I had no objection to, and I think it meets the situation.

Mr. LANKFORD of Virginia. Mr. Chairman, may I at this time in my time find out what that amendment provided?

Mr. CRISP. It provided as follows:

Crates, baskets, boxes, bags, and other containers for handling, packing, and shipping fruits and vegetables.

Mr. LANKFORD of Virginia. I was not able to hear it before.

Mr. Chairman, I ask unanimous consent to withdraw the amendment which I offered.

The CHAIRMAN. Without objection, the amendment is withdrawn.

There was no objection.

Mr. HOUSTON of Hawaii offered the following amendment:

On page 226, line 2, after the word "State," insert the word "Territory."

The CHAIRMAN. The attention of the Chair has been called to the fact that this amendment is not germane at this point. The gentleman can offer it later.

Mr. LA GUARDIA offered the following amendment, which the Clerk reported, as follows:

At the end of the Crisp amendment, as amended, add the following:

"Provided, That all materials and articles used in the manufacture of articles herein specifically exempted shall likewise be exempt from the manufacturers' excise tax herein imposed."

Mr. LA GUARDIA. Mr. Chairman, yesterday or the day before, when the committee announced the exemption of this tax on clothes and food and farm implements, it was generally believed that all such articles were absolutely exempted. Upon looking up the law and upon conferring with officials in the Treasury Department, as well as members of the committee, we find it is not entirely so and that the limited exemptions are a very small concession. For instance, the minute that clothes and garments and suits are exempted, the tax reverts back to the textiles, to the buttons, to the linings, to the trimmings, and everything that goes into a suit, including fuel, light, and heat. The minute the tax on

shoes is exempted, the tax reverts back to the leather and everything that goes into a shoe. Therefore I submit that if this exemption is offered in good faith—and I know the gentleman from Georgia is acting absolutely in good faith—some one has slipped in a joker. If we are to exempt food, clothes, and wearing apparel, let us have an honest-to-goodness exemption and exempt everything that goes into the making of such exempt articles. [Applause.]

Mr. CRISP. Mr. Chairman, I will only take about two minutes. There is no joker in this amendment.

The committee knew what it was doing. There was no intention of exempting materials, because such an exemption is not capable of being administered. If we strike out everything in the bill there will be no base on which to compute a tax. The last statistics show the volume of business to be \$60,000,000. To-day, with the exemptions we have recommended, you will compute the two and a quarter per cent tax on a base of about \$20,000,000. I hope the amendment will not be adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The question was taken; and on a division (demanded by Mr. LA GUARDIA) there were—ayes 37, noes 91.

So the amendment was rejected.

Mr. BLANTON. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Texas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BLANTON: At the end of the committee amendment offered by Mr. CRISP, add "(7) ice."

The CHAIRMAN. The gentleman from Texas is recognized for two minutes.

Mr. BLANTON. Mr. Chairman, to save my life, I can not understand why this bill should contain a provision to tax ice. The purpose of my amendment is to prevent a tax on ice. There should be no tax on ice.

Ever since I have been in public life I have been making an earnest uncompromising fight to force all necessities to be furnished the people at the lowest cost possible. The people should get electric light and current at the lowest price possible. They should get gas and other fuel at the lowest price possible. They should get their water at the very lowest possible price. They should have transportation on street cars, busses, and railroads at the very lowest cost possible. And they should have their ice at the lowest price possible.

In my State ice has been sold at the cities of Waco, Austin, and San Antonio at 20 cents per hundred, while in some cities controlled by monopolies it is still sold for 50, 60, and even 75 cents per hundred, which is outrageous.

Mr. Chairman, ice is no longer a luxury. Every poor family in the United States should have ice as cheaply as they can get it, just the same as anybody else. In many places the local water is absolutely unfit to drink unless it has ice in it during the summer months. Why should not ice be exempt from this tax?

Mr. CRISP. Will the gentleman yield?

Mr. BLANTON. I yield.

Mr. CRISP. Under such an amendment we will lose about \$3,000,000. I have no objection to the amendment.

Mr. BLANTON. Then, Mr. Chairman, since the gentleman from Georgia [Mr. CRISP], the chairman of the committee, evidences a willingness to accept my amendment, I do not care to use any further time in discussing it, but will ask for a vote on it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The amendment was agreed to.

Mr. SCHAFER. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Wisconsin offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. SCHAFER to the committee amendment: Strike out all after the word "sirup" in the amendment and insert a comma and add the following: "liquid malt and malt extract, fluid, solid, or condensed."

The CHAIRMAN. The gentleman from Wisconsin is recognized for three minutes.

Mr. SCHAFER. Mr. Chairman, in three minutes I can merely scratch the surface of this great fundamental principle. The Committee on Ways and Means has recognized the fact that malt sirups are a food product by including them in their list of exemptions when sold to bakers in containers of not less than 50 pounds. Under that exemption a baker who purchases a 50-pound container will not have to pay the 2¼ per cent sales tax, but the little baker and housewife baker will have to pay an extortionate sales tax of approximately 30 per cent under another section of the bill. The big baker who purchases a 50-pound container will get the benefit of the exemption while the housewife with five or six half-starved children who desires to bake bread and other foods for her family, as contained in this voluminous book of recipes, will have to pay a sales tax of 30 per cent. Unless my amendment is adopted you are also going to take powdered malt sirup like that contained in this can and make the purchaser pay a 30 per cent sales tax thereon. You are going to make those who can not keep body and soul together pay a tribute under a 30 per cent sales tax on malt sirups which are used for food and malted milk as well as to manufacture home-brew. I certainly hope that in the name of justice my amendment will be adopted so as to prevent the indefensible sales tax of 30 per cent on essential foods of the American people.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin.

The amendment was rejected.

Mr. CELLER. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. CELLER: Add to the committee amendment a new subsection, as follows:
"Kitchen utensils and household articles used in the cooking and preparation of food and foodstuffs for human consumption."

The CHAIRMAN. The gentleman from New York is recognized for two minutes.

Mr. PARKS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. PARKS. May I inquire of the Chair under what rule the Chair recognizes Members for two minutes?

The CHAIRMAN. By agreement with the gentleman who proposed the amendment, otherwise the gentleman would be recognized for five minutes under the rules of the Committee of the Whole.

Mr. CELLER. Mr. Chairman, we have declared exempt under the committee amendment agricultural products. We have been dealing very fairly with the agricultural population. I appeal to you now for the teeming millions in the metropolitan centers, a center like New York, from whence I come. I ask that when food is prepared in the kitchen that the media by which it is prepared shall be exempted. We have exempted food, we have exempted clothing, and I think we should go further and exempt the articles by which the food is cooked or boiled in the kitchen.

I appeal to you in this regard for the housewives of the Nation, not only in the cities but also in the country, and ask that my amendment prevail.

The CHAIRMAN. The question is on the amendment of the gentleman from New York.

The amendment was rejected.

Mr. MILLARD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MILLARD: Add a new paragraph to the committee amendment offered by Mr. CRISP and insert "the flag of the United States."

Mr. MILLARD. Mr. Chairman, I notice with great approval that the committee has exempted Bibles, the books of the Old Testament and the New Testament, rosaries, chaplets, medals, and similar articles of religious devotion. Next to religion comes patriotism, and my amendment is to exempt the American flag. There should not be a tax on patriotism. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The amendment was agreed to.

Mr. GIFFORD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GIFFORD to the committee amendment: After the word "machinery" insert "together with implements and machinery used in the fishery industries."

Mr. GIFFORD. Mr. Chairman, it should not take more than a minute to convince this House that the fishery industry does nothing but produce food. The fishermen now use power in their small boats, and it is an industry where they work harder, run more risks, and engage in a far more dangerous calling than does the farmer. I think it could only have been an inadvertence on the part of the committee that they were not exempted. Certainly, no lengthy argument ought to be necessary now that the committee has exempted the agricultural interests, who are far better off than those who engage in the fishery industry. I urge that this amendment be adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts.

The question was taken; and on a division (demanded by Mr. GIFFORD) there were—ayes 40, noes 73.

So the amendment was rejected.

Mr. NOLAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. NOLAN: Add to the list of exemptions in the Crisp amendment "sales of trusses, artificial limbs, and orthopedic appliances."

Mr. NOLAN. Mr. Chairman, I can not believe that when the committee eliminated necessities from this bill they had any idea of imposing a tax upon these appliances that the crippled, the maimed, and the disabled are forced to use because of their misfortune; and orthopedic appliances are used largely to correct deformities of crippled children.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota.

The amendment was agreed to.

Mr. BLAND. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BLAND: Amend the committee amendment offered by Mr. CRISP, as amended, by adding a new subsection, as follows:

"Sales of containers used for shipping any sea-food products shipped for consumption as food."

Mr. BLAND. Mr. Chairman, the only purpose of this amendment is to bring the sea-food industry in line with the agricultural industry, and make the same application to the sea-food products which has been made to fruits and vegetables. I regret that the limit of time which has been fixed by the committee will not permit full discussion of this amendment. Certainly the same rule that applies to fruits and vegetables should apply to sea-food products, which constitute a large part of the food of the country and at reasonable rates. The industry is suffering as severely as other industries, the men engaged have much work and small profits, with frequently no profits at all, and they should not be burdened further. The burden is one that they could not pass on, but would be compelled to absorb.

The question was taken, and the amendment was rejected.

Mr. GRANFIELD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GRANFIELD: At the end of the committee amendment add the following new paragraph:

"(8) Coal and wood of all kinds for use as fuel in the home."

Mr. GRANFIELD. Mr. Chairman, the amendment which I have just offered provides that coal and wood of all kinds used as fuel in the home be exempted from the imposition of the 2¼ per cent tax. This is a very proper and necessary amendment.

The distinguished gentleman from Georgia [Mr. CRISP], in behalf of the Committee on Ways and Means, has recommended that foods, clothing, and medicine be tax exempt. Just a few moments ago the distinguished gentleman from Texas [Mr. BLANTON] offered an amendment which would

include ice in the list of exemptions. I am impressed that coal and wood are in the same category as food, clothing, and medicine, and ice, and for that reason I offer this amendment.

I wish, further, to call to the attention of the House that coal and wood are the poor man's fuel, and that to-day many of our citizens are buying coal and wood by the bag. I regard these commodities just as necessary to the welfare of our people as other necessities of life, and I trust the House will adopt my amendment.

Mr. ABERNETHY. Will the gentleman yield?

Mr. GRANFIELD. I yield to the gentleman from North Carolina.

Mr. ABERNETHY. What does the gentleman's amendment cover?

Mr. GRANFIELD. My amendment covers coal and wood used only in the home for fuel purposes.

Mr. ABERNETHY. Does the gentleman think that ought to be taken off?

Mr. GRANFIELD. Yes. I am convinced that the exemptions which are provided for by my amendment should be accepted by the House. Without any question a tax on coal and wood is a burden which will be borne by the poorer class of our people. This class should not be forced to bear a tax of this character during these times of great financial distress. Most of our people are having all they can do to obtain sufficient money to purchase the bare necessities of life. I trust the amendment will be adopted.

Mr. McCORMACK. Will the gentleman from Massachusetts yield?

Mr. GRANFIELD. I am happy to yield to my colleague.

Mr. McCORMACK. I hope the committee will accept it.

Mr. CRISP. I have no objection.

Mr. LEWIS. Mr. Chairman, I wish to offer a substitute, exempting coal entirely.

The CHAIRMAN. The Chair will state to the gentleman that that would be an amendment in the third degree. The question is on the amendment offered by the gentleman from Massachusetts [Mr. GRANFIELD].

The question was taken; and on a division there were 87 ayes and 7 noes.

So the amendment was agreed to.

Mr. LEWIS. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Add at the end of the Crisp amendment a new paragraph, as follows:

"Sales of coal."

Mr. LEWIS. Mr. Chairman, ladies, and gentlemen, I will make no argument in one minute on this subject, but I will try to give you the coal statistics, from which you can derive your own argument.

The statistics show that the anthracite coal of 1929 brought \$400,000,000 in round numbers, and the bituminous coal brought \$1,000,000,000 in round numbers. Perhaps one-third of the bituminous coal produced goes into manufacture, so that would be caught later in the tax. The exempting amendment just adopted, just restricted to coal used for fuel in the homes, would not cover more than one-third of the coal produced in the United States. It would not reach any of the coal sold to the railroads. They have done more than any other single cause to prevent reasonable coal prices and wreck the coal-mining industry.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland.

The question was taken, and the amendment was rejected.

Mr. HOPKINS. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Add to the Crisp amendment, after the word "medicine," the words "animal vaccines and serums."

Mr. HOPKINS. Mr. Chairman, I have offered this amendment, but I desire to ask the chairman of the committee whether the word "medicine" in the Crisp amendment would cover vaccines and serums?

Mr. CRISP. I think the gentleman's amendment is unnecessary, and the Treasury expert agrees with me.

Mr. HOPKINS. Mr. Chairman, I withdraw my amendment.

The CHAIRMAN. The gentleman from Missouri asks unanimous consent to withdraw his amendment. Is there objection?

There was no objection.

Mr. WHITTINGTON. Mr. Chairman, I desire to ask the gentleman from Georgia if under his amendment cottonseed oil would be exempt?

Mr. CRISP. I think there is no doubt about it.

Mr. JOHNSON of Texas. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Add at the end of the committee amendment the following: "Sales of cottonseed oil, peanut oil, or other American-grown agricultural products."

Mr. CRISP. My understanding is that these commodities are used principally for human food, and they are exempt.

Mr. JOHNSON of Texas. These are not always used in food.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The amendment was rejected.

Mr. WITHROW. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. WITHROW to the Crisp amendment: After the words "(1) sales of food for human consumption," insert "except oleomargarine and other substitutes for butter, but."

Mr. WITHROW. Mr. Chairman, under the provisions of the Crisp amendment as amended oleomargarine and other substitutes for butter are exempt from the provisions of the manufacturers' excise tax. My amendment will place the manufacturers' tax on oleomargarine and other substitutes for butter. In 1931 there were manufactured in the United States approximately 275,000,000 pounds of oleomargarine. This amendment if adopted will bring to the Treasury of the United States more than \$850,000 annually. This will be an aid to dairying, which is one of the basic agricultural industries of the country, and in all fairness I believe this amendment should be adopted.

Mr. CRISP. Mr. Chairman, I hope this amendment will not be adopted. Oleomargarine is the poor man's food, and to-day it bears a 10-cent special tax.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Wisconsin.

The amendment was rejected.

Mr. LANKFORD of Georgia. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. LANKFORD of Georgia: On page 225, after the committee amendments offered by Mr. CRISP, insert:

"(1) Crosssties, lumber, shingles, and other forms of construction material manufactured or produced from timber of any kind.

"(2) Turpentine, resin, and all other naval-stores products.

"(3) Cottonseed meal, cottonseed oil, and all other forms of prepared or processed cottonseed products."

Mr. LaGUARDIA. Mr. Chairman, I make the point of order that the amendment contains subject matter that has been already passed upon by the committee.

The CHAIRMAN. The point of order is overruled.

Mr. CHINDBLOM. Mr. Chairman, I make the point of order that it is not offered in the proper place in the pending amendment. We have adopted numerous amendments to the Crisp amendment.

The CHAIRMAN. The point of order is overruled. The question is on the amendment offered by the gentleman from Georgia.

The amendment was rejected.

The CHAIRMAN. The question now is on the committee amendment as amended.

The committee amendment as amended was agreed to.

Mr. HARLAN. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. HARLAN: Page 226, after line 6, add a new subparagraph, to be numbered consecutively, as follows:
"Sales to municipally or privately owned or operated railways which furnish urban, suburban, interurban, or other transportation service as common carriers."

Mr. HARLAN. Mr. Chairman, the purpose of this amendment is to try to save for labor and for public service a great many of our common carriers that are now hanging on through receiverships. Every common carrier that operates on rails has everything to purchase that the bus lines have to purchase, and, in addition to that, has to purchase a great many commodities that the bus lines do not purchase. We have all witnessed our railway lines, urban and interurban, and our street-railway lines going out of business or going into the hands of receivers. A short time ago we passed a Reconstruction Finance Corporation bill to lend money to keep these organizations going, and now we are about to pass a bill to tax the things they buy in such a way as to destroy them.

Mr. CONNERY. Mr. Chairman, will the gentleman yield?
Mr. HARLAN. Yes.

Mr. CONNERY. Has the gentleman drawn his amendment carefully enough to take care of these street-car lines which are practically going broke, but at the same time to not exempt these street-car companies?

Mr. HARLAN. My amendment does not have anything to do with the power companies. I am not talking about power. Everything that is purchased by any common carrier, street-car line, interurban line, or railroad that goes on rails is embraced within my amendment. If we do not do something of that kind, then the securities invested in these companies are not going to be worth anything in the very near future. Of course, we have helped them a little. The Pennsylvania Railroad Co. has made a big loan to electrify their lines, and now we turn around and put a tax on the commodities they are going to buy. It seems to me in the interest of the public that are using our street-car lines, in the interest of the companies themselves, and the investors, this amendment ought to be adopted.

Mr. RAINEY. Mr. Chairman, this amendment will lose \$40,000,000. It will lose twice as much as all of the other amendments we have adopted to-day will lose. We have just made an appropriation of \$500,000,000 under the Reconstruction Corporation bill, and a large part of that is going to the railroads. We have done enough for the railroads for one session of Congress.

Mr. SHANNON. Mr. Chairman I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. SHANNON. Mr. Chairman, there is a large continuing annual national deficit due to the maladministration of the affairs of Government during the past 11 years. This should not be charged to the Republican Party as a whole, but should be laid specifically to the billionaire wing of that party, which brazenly took charge of this Nation some 11 years ago, with Andrew Mellon at the helm.

Whether Mr. Mellon was acting through Mr. Harding, Mr. Coolidge, or Mr. Hoover, the result was the same. His efforts were directed to the service of only one class of the American people—the cult of Mammon. Mr. Mellon's selection was an unfortunate departure from the traditions of the past. Before the advent of Mellonism the men who held the great key place of Government as Secretaries of the Treasury had never been possessed of stupendous wealth.

Commencing with Alexander Hamilton, of the Washington administration, down to Andrew Mellon, of the Harding administration, the men who have held this important post have been, as a rule, men of limited means but great in their knowledge of finances. This can be seen by a review of the names of those who have held this position since the beginning of our Government.

The big rich prior to 1921, in dealing with government, had to act through a Secretary of the Treasury chosen from the ranks of the people, and one whose wealth was not sufficient to separate him from them.

Mr. Mellon took charge just 11 years ago. He recently slipped out under cover of darkness. Then the thing that definitely fixes the present administration as being wedded to a government of the big rich is the selection of Mr. Mellon's successor. Mr. Ogden Mills was not selected from the ranks of the moderately well-to-do, as those great Secretaries of the past, such as John Sherman, John G. Carlisle, and men of that stamp, but Mr. Mills was cut off the same piece of cloth as Mr. Mellon. Well might it be said that he is a worthy representative of the big rich and fits into Mellon's shoes perfectly. Mr. Mills, like Mr. Mellon, is a man of fabulous wealth.

I wish to read here the names of those who have in the past held the important position of Secretary of the Treasury:

Secretaries of the Treasury

Presidents	Secretary of the Treasury	Residence	Appointed
Washington	Alexander Hamilton	New York	1789
Do.	Oliver Wolcott, jr.	Connecticut	1795
Adams	do	do	1797
Do.	Samuel Dexter	Massachusetts	1801
Jefferson	do	do	1801
Do.	Albert Gallatin	Pennsylvania	1801
Madison	do	do	1809
Do.	George W. Campbell	Tennessee	1814
Do.	Alexander J. Dallas	Pennsylvania	1814
Do.	William H. Crawford	Georgia	1816
Monroe	do	do	1817
J. Q. Adams	Richard Rush	Pennsylvania	1825
Jackson	Samuel D. Ingham	do	1829
Do.	Louis McLane	Delaware	1831
Do.	William J. Duane	Pennsylvania	1833
Do.	Roger B. Taney	Maryland	1833
Do.	Levi Woodbury	New Hampshire	1834
Van Buren	do	do	1837
Harrison	Thomas Ewing	Ohio	1841
Tyler	do	do	1841
Do.	Walter Forward	Pennsylvania	1841
Do.	John C. Spencer	New York	1843
Do.	George M. Bibb	Kentucky	1844
Polk	Robert J. Walker	Mississippi	1845
Taylor	William M. Meredith	Pennsylvania	1849
Fillmore	Thomas Corwin	Ohio	1850
Pierce	James Guthrie	Kentucky	1853
Buchanan	Howell Cobb	Georgia	1857
Do.	Philip F. Thomas	Maryland	1860
Do.	John A. Dix	New York	1861
Lincoln	Salmon P. Chase	Ohio	1861
Do.	William P. Fessenden	Maine	1864
Do.	Hugh McCulloch	Indiana	1865
Johnson	do	do	1865
Grant	George S. Boutwell	Massachusetts	1869
Do.	Wm. A. Richardson	do	1873
Do.	Benjamin H. Bristow	Kentucky	1874
Do.	Lot M. Morrill	Maine	1876
Hayes	John Sherman	Ohio	1877
Garfield	William Windom	Minnesota	1881
Arthur	do	do	1881
Do.	Charles J. Folger	New York	1881
Do.	Walter Q. Gresham	Indiana	1884
Do.	Hugh McCulloch	do	1884
Cleveland	Daniel Manning	New York	1885
Do.	Charles S. Fairchild	do	1887
B. Harrison	William Windom	Minnesota	1889
Do.	Charles Foster	Ohio	1891
Cleveland	John G. Carlisle	Kentucky	1893
McKinley	Lyman J. Gage	Illinois	1897
Roosevelt	do	do	1901
Do.	Leslie M. Shaw	Iowa	1902
Do.	George B. Cortelyou	New York	1907
Taft	Franklin MacVeagh	Illinois	1909
Wilson	William G. McAdoo	New York	1913
Do.	Carter Glass	Virginia	1919
Do.	David F. Houston	Missouri	1920
Harding	Andrew W. Mellon	Pennsylvania	1921
Coolidge	do	do	1923
Hoover	do	do	1929
Do.	Ogden L. Mills	New York	1932

The sales tax is a movement of the big rich to displace from their shoulders the burden that rightfully belongs there. This is no time to put additional taxes on the masses. The people are already overburdened with taxes.

No additional burden should be placed on any class or on anyone if it can be avoided. Additional taxes can be avoided. Issue 10-year 3½ per cent interest Government bonds, one-fifth payable each two years, for the full amount of the anticipated deficit, with income from bonds exempt from income taxes. Then ascertain the lowest estimate of Federal income for the next two years, and deduct 20 per cent from this estimate; abolish enough bureaus, commissions, and sinecures, and cut expenses of all kinds, until Government estimated income will meet the expenses, and then stop. Add no taxes of any kind to any class. The

deficit bonds can be taken care of when times are good in the future. It is unsound to increase taxes if avoidable. This course will meet with the approval of the people and add prestige to this Congress.

Why attempt to wipe out in one year an annual deficit that the administration has allowed to accumulate for almost 12 years? During these years the Government has been squandering the public wealth. Now this is to be a year of jubilee. The people are going to repudiate the nearly 12 years of Government—not of the Republican Party but of the billionaire wing of it.

The soft, willing, and glad hand of the administration was given to the bankers, the railroads, and so forth, in the way of relief. Now the boot is to be given to the thousands of clerks in the Government employ, in the way of salary reductions.

When this revenue bill was first reported, it placed a tax grabber between the mouths of the poor and the grocery store; a stamp between medicine and the sick; and a tax between the shivering body and the clothing store.

The conduct of the administration and of the so-called leaders of this Congress gives an apt illustration of what takes place in legislation when it discriminates between the fortunes of the rich and the daily wants of the poor.

The Chief Executive violated proper conduct in legislation when he had secret conferences with selected Members of this Congress, prior to the convening thereof, and lobbied with and exacted pledges from them. These Members, also, were not doing right, either by the people or this body, in permitting the Executive to bind them. It is now plain that all these preliminary meetings on the part of the administration were for the purpose of financing the financiers who had brought this terrible depression upon the people of this country.

All of these financial measures—the moratorium, the Reconstruction Finance Corporation act, and the Steagall bill—were intended to serve concerns like the Chase National Bank.

How repellent this all is when it is realized that the Chase National Bank was represented in everything that went on in Europe by having on the ground its representatives, as it did when it had Albert H. Wiggin, head of the Chase National Bank, sitting as the American member of a committee to discuss cancellation or reduction of the inter-allied debts. And then the infamy is consummated by the President naming as one of the managing directors of the Reconstruction Finance Corporation a director of the Chase National Bank.

The safety of this Nation and of government in this country is dependent upon having political parties, one to watch the other, with no bipartisan arrangement. It was with amusement that I learned of the bipartisan activities. First, with secret meetings with the Executive; second, with breakfasts with the Executive; and third, as each measure was proposed, a sufficient number slipping over from this side of the Chamber to put through the banking bills. It was with much chagrin that I watched, on many occasions, seasoned old legislative servants of privilege, who had rendered services and granted favors to privilege from year to year, coming over from the other side of the Chamber to congratulate Members on this side whenever a gentleman from this side announced he was going to support a banking measure as a patriotic duty. When a Member from this side would thus commit himself, invariably there was a rush from the other side of these friends of privilege, frequently even following the patriot into the cloakroom to congratulate him. There was so much of this that at first it puzzled me as to which was which, and it reminded me of the old story of days in the past when times were hard and the prudent mothers, to make ends meet, would clothe the boy with trousers patched both fore and aft, so that when you looked at the tow-headed boy on the highway you could not tell if he was going to school or coming home.

When I see those from the minority side going to Members on the majority side and congratulating them as patriots I would not know which was which except for this: When

those from the other side come over to this side it is with a solemn mien, and with a more solemn declaration they take the hand of the obliging and serving Member from this side and congratulate him on his patriotism; but when they depart I can distinguish them, because they have a smirk of joy on their faces, as much as to say, "We have another one of them."

To me there is danger to this Republic from those gentlemen "whose politics are cross-eyed, whose right political foot is on the left political leg," who pose as Democrats and vote as Republicans.

This Congress seems to feel that it must be most respectful of Mammon. The great jurist, Jeremiah S. Black, once said:

Wealth always did make it to everybody's interest to stand well with it. Wealth is power, and power is always honored. It is said of Satan himself that he is sometimes worshiped for his burning throne.

Capital jealously guards her interest, and is cruel in the exercise of her power, and cowardly withal.

There should be less lip patriotism on the part of the Members of this Congress and more common sense exercised in action.

Government by the big rich, through its Mellons, has proven a colossal failure.

This Congress has taken care of the big bankers; this Congress has taken care of the big insurance companies; this Congress has taken care of the steam railroads; but this Congress has been woefully negligent of the rights of the individual and the struggling little merchants of our Commonwealth.

From Springfield, Mo., Mr. J. W. Brownlow, of the Hermann-Brownlow Co., referring to the sales tax, writes me of this case:

Although harness leather and all harness goods are being sold to the farmers at about one-half of the price that he paid a few years ago the low price of his products makes it a serious burden on him if he buys the equipment he needs, and he is not in a position to assume this extra burden that this tax imposes on him.

As an illustration, a few days ago a farmer came into our store and wanted to buy a horse collar. We sold him this collar for \$2.25. He had just sold a case of eggs consisting of 30 dozen for 7 cents per dozen, or \$2.10. Therefore, he lacked 15 cents of getting as much for the 30 dozen of eggs as he paid for the horse collar. A few years ago the price of this collar was \$4.50. However, at that time if this farmer had brought his 30 dozen of eggs into town he could have sold them for 30 cents per dozen, or \$9, and he could have paid \$4.50 for the horse collar and still had \$4.50 left in money. This is a good illustration of what the farmer is up against in buying equipment in order to produce his crops.

What bothers me is where the farmer will get the additional 15 cents to complete the sale for the horse collar. I know very well he will not get it from the Chase National Bank, nor from the Reconstruction Finance Corporation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. HARLAN].

The amendment was rejected.

Mr. HOUSTON of Hawaii offered an amendment, which the Clerk reported, as follows:

Amendment offered by Mr. HOUSTON of Hawaii: Page 226, line 2, after the word "State," insert the word "Territory."

The amendment was agreed to.

Mr. CRISP. Mr. Chairman, when I moved a few minutes ago to close debate on my amendment and all amendments thereto, I overlooked also saying closing debate on amendments offered to the paragraph. Now, I move that all debate on the paragraph and all amendments, and this does not apply nor is it intended to apply to the motion of the gentleman from North Carolina [Mr. DOUGHTON] to strike out the amended paragraph—I move that all debate on the paragraph be now closed.

The motion was agreed to.

The CHAIRMAN. The gentleman from North Carolina [Mr. DOUGHTON] is recognized on his motion to strike out the paragraph.

Mr. DOUGHTON. Mr. Chairman, I would like to see if we can not reach some understanding with the gentleman

from Georgia, the acting chairman of the committee, as to the debate on my motion to strike out the paragraph.

Mr. CRISP. The gentleman will find me quite acquiescent to closing debate as soon as possible. I welcome a suggestion from the gentleman.

Mr. DOUGHTON. Several gentlemen have expressed the hope that they could have some time. Would 30 minutes on a side be agreeable?

Mr. CRISP. I will agree to it or will agree to less.

Mr. DOUGHTON. I will suggest 20 minutes on a side.

Mr. Chairman, I ask unanimous consent that the debate on my amendment be limited to 20 minutes on a side, 40 minutes in all.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. SCHAFER. Mr. Chairman, I object.

Mr. CRISP. Mr. Chairman, I move that the debate be closed on the motion of the gentleman from North Carolina in 40 minutes, and, of course, I know the Chair will divide the time equally between those for and against.

Mr. BYRNS. Mr. Chairman, I make the point of order that there has been no debate on this amendment, and therefore the motion for the present is out of order.

Mr. CRISP. The gentleman from North Carolina [Mr. DOUGHTON] has taken the floor, he has been recognized, and he has said a few words and made a unanimous-consent request. If the gentleman from Tennessee wishes to be technical, so will I.

Mr. BYRNS. Mr. Chairman, I have been in committee attending to other matters, and I would like to have a little time on this amendment myself. [Applause.] I do not think we ought to cut off debate in this fashion.

Mr. CRISP. Well, I had hoped the gentleman from Tennessee would use five minutes of the time.

The CHAIRMAN. The Chair will state to the gentleman from Tennessee that he will recognize him for five minutes.

Mr. RANKIN. Mr. Chairman, I offer an amendment to the motion, that the time be extended to 30 minutes to the side.

Mr. CRISP. I have no objection to that.

The CHAIRMAN. The gentleman from Mississippi offers an amendment to the motion of the gentleman from North Carolina that the time be limited to 1 hour—30 minutes on a side.

The question was taken, and the amendment was rejected.

The CHAIRMAN. The question is on the motion of the gentleman from Georgia.

The motion was agreed to.

The CHAIRMAN. The gentleman from North Carolina is recognized for five minutes.

Mr. DOUGHTON. Mr. Chairman, the purpose of my amendment is to eliminate the sales-tax provision of the pending bill. My reason for opposing a sales tax is that I know it is unsound in principle and will be harsh, burdensome, and unjust in its operation. It contravenes every accepted theory of taxation. Not even in the emergency of the great World War did our Government seriously consider such a tax. The war emergency tax measures unanimously adopted under the leadership of the great Claude Kitchin as chairman of the Ways and Means Committee; the gentleman from Illinois, HENRY T. RAINEY; Hon. Lincoln Dickson; CORDELL HULL; J. N. GARNER; J. W. COLLIER; C. C. DICKINSON; W. A. Oldfield; CHARLES R. CRISP; on the Democratic side; and with such distinguished Republicans as the late Joseph W. Fordney, and William R. Green, both of whom later became chairmen of the Ways and Means Committee—none of these gentlemen, so far as I know, ever suggested a sales tax in that crisis in our Nation's history.

Are we willing now, with our boasted wealth, to admit that conditions are so desperate and that other sources of taxation have been exhausted and are inadequate and we must violate the time-honored policy of our Government, as advocated by both the great parties, and adopt a sales tax? Are we Democrats willing to make a record in this House, after being out of power for 12 years, and accept the responsibility for the enactment of the sales tax, notwithstanding the fact

that such bill has been recommended by the Ways and Means Committee? I served notice when the bill was reported by the committee that I would offer an amendment to strike out this part of the bill; and if it were not stricken out, that I would vote against the bill on final roll call. But I say, are we Democrats willing to take the responsibility for foisting on the country at any time a sales tax—a policy we have always opposed and severely condemned? What would, or could be, our justification for such course before the people? Surely we could not justify it in "peace times" if we did not resort to it in the greatest emergency of our Nation's history.

And to you, Republicans—my friends on the minority side—may I say, are you willing to go before your constituents in the coming campaign and explain how it is that you, the party of boasted prosperity, having capitalized the "prosperity" issue in every campaign since the days of President Cleveland—are you willing to have it made a matter of public record that, as a result of 12 years of unbroken service and control in every branch of the Government, the country is so bankrupt and the Treasury so depleted that you are forced to vote for a sales tax—a tax on consumption and the necessities of life—in order to save the credit of the Government?

Remember, if you do this, you will be writing on the statute books of the Nation a record that you never can explain—never can justify—and it can be justly capitalized as a campaign issue against you for generations. But let me make this prediction: If this sales-tax provision remains in the bill and becomes a law, you Republicans will not only have to take the blame for its necessity, if there be one, but also the responsibility of its enactment; for certainly a majority of the Democrats in this House will by their action this day demonstrate that they not only do not approve but will not accept this unjust, unreasonable, unnecessary, and unconscionable form of taxation. Who are urging this sales tax anyway and where did it have its birth or inception? That Andrew Mellon, William Randolph Hearst, and the millionaires and multimillionaires have had for their sole purpose and determination for years to get a sales tax fastened on the country in order that they may be relieved of paying income taxes, everyone knows. Its proponents now say it will only be temporary; but, verily, verily, I say unto you, that the influences that are now so desperately striving to have this sales tax written into this bill will, if successful, be sufficiently potential with all the facilities and resources at their command to prevent its repeal. Oh, but the committee says they have made certain exemptions which greatly improve the bill; but while these exemptions will, of course, modify some of the harsh features of the bill, still we should say to such suggestions, "Get thee behind me, Satan." These exemptions are not offered by the committee because they desire or are willing to offer them but because they saw certain defeat and hoped by this strategy to beguile us into swallowing the sales tax. But, my comrades—on both sides of the aisle—you with whom I have fought in this desperate battle—let me now appeal to you—those of us who have stood together and forced these concessions—that we still stand shoulder to shoulder and defeat the entire iniquity. The people of the country expect us to do this. Small manufacturers of the country are all opposed to a sales tax; the farmers are opposed to it; the farm organizations, to wit: The American Farm Bureau Federation, the National Farmers Union, the National Grange, also the Consumers Council, the American Federation of Labor, the Railway Laborer Executives' Association—in fact, all farm organizations and all labor organizations in the United States—are up in arms and have addressed communications to Congress protesting against this legislation.

Now is the time and the accepted time to demonstrate to the American people that their Representatives have heard their voice and know their will and will obey it. Let us kill it now, kill it dead, and trust it is killed forever.

We are told that a sales tax has worked successfully in Canada. This may be true from the standpoint of raising revenue; but I am reliably informed there is a great deal of dissatisfaction among the consumers. However, the Canadian

law bears very little similarity to the sales-tax provision of this bill. In Canada it is primarily a luxury tax; in fact, almost everything that could be classed as a necessity is exempted—the list is too long to mention—there are thousands of exemptions.

I had thought, and am still of the opinion, that there is enough statesmanship in the United States to write our own tax laws without modeling them after Canada, Australia, Czechoslovakia, or even Spitzbergen.

I see in the papers this morning we are told that unless we accept the sales tax we will be forced to accept the recommendations made by the Treasury Department. They try to get us to vote for this bill first by sugar-coating it with a few exemptions, and, failing in this, they then threaten us with what they say is something even worse; but let me say in answer that when we defeat the sales tax we will resist to the limit the imposition of other unsatisfactory taxes. The duty of the hour is to defeat the sales tax, and cross other bridges as we come to them.

[Here the gavel fell.]

Mr. RAINEY rose.

The CHAIRMAN (Mr. O'CONNOR). The gentleman from Illinois is recognized for five minutes.

Mr. RAINEY. Mr. Chairman, ladies and gentlemen of the committee, this, of course, is the crucial point in the manufacturers' sales-tax proposition. If the amendment offered by the gentleman from North Carolina carries, it absolutely destroys the manufacturers' sales-tax provision of this bill.

The exemptions you have made this morning amount to a little less than \$20,000,000. You made some other exemptions recently, but as nearly as the experts are able to figure out the exemptions already made, if you vote for this proposition, you leave over \$500,000,000 that you must yet raise by some other kind of taxation than the manufacturers' sales tax.

We have exempted food and clothing, farm machinery, and medicines. This morning we exempted malt sirup used in milk and medicines. We have exempted agricultural products. We have exempted all those things which affect agriculture and those things which affect power.

I have been following the debates, and I am satisfied the fight to balance the Budget has been won. You are going to balance this Budget, but if you vote for the Doughton amendment these are the kinds of taxes you must vote for—something like the following: Increased postage, a tax on automobiles—of course, you are all against this, but if you are to balance the Budget you can not avoid these taxes—a stamp tax on checks, taxes on telephone and telegraph messages, and taxes on gasoline, or something of that kind. You have an immense amount to raise, gentlemen, and there may be also taxes on conveyances of real estate.

Of course, we had no sales taxes during the war, as the gentleman from North Carolina has suggested. There were no sales taxes anywhere in this world during the war. Along toward the close of the war Germany adopted them, and France followed, and then after the war every other great nation in the world, trying to find some method of taxation to meet the urgent needs of government, except the United States and Great Britain, adopted the manufacturers' sales tax, and it all came after the war. But during the war we had these objectionable taxes to which I have been calling attention, and when you vote for this motion you are voting for the kind of taxes we had during the war, and which I have endeavored, in part, to enumerate to you to-day.

We now take our choice and we go back to our constituents and we make our defense, if we can.

Mr. CONNERY. Will the gentleman yield?

Mr. RAINEY. Yes.

Mr. CONNERY. All along in the consideration of this tax bill we go along seemingly under the impression that it is absolutely necessary to balance the Budget. Does the gentleman think it is absolutely necessary that we take all this money off of the American people simply to balance the Budget or that it is not absolutely necessary to do that?

Mr. RAINEY. Oh, it is absolutely necessary to balance the Budget. At the end of this year we will have an added interest charge of \$210,000,000. We can not borrow now except on short-term loans of 7 months or 1 year. This Government can not borrow money at four and a quarter per cent on long-term loans. Every business is depressed in this country, and it is depressed because this great Government of ours can not sell its securities on the market. [Applause.]

[Here the gavel fell.]

Mr. BYRNS. Mr. Chairman, I did not expect to have anything to say on this subject. I regret very much that I am unable to agree with the distinguished gentlemen upon the Ways and Means Committee who have reported this bill, but I can not surrender the convictions of a lifetime [applause] nor can I forget that the Democratic Party has consistently throughout its career, except in a war-time emergency, opposed anything like a sales tax. [Applause.] It so declared in 1924, and the party to which I belong has always stood for taxation upon those who are best able to bear it.

I am opposed to the sales tax on principle. I am opposed to it because it promotes extravagance in appropriations. [Applause.] It is too easily imposed, it is too easily collected, it is too easily and cheaply collected not to promote extravagance in our legislative bodies, and for that reason I am against it.

Why, they tell us it is necessary to impose this tax in order to balance the Budget. Gentlemen, I have never subscribed to that idea for one moment. For two or three years we have been laboring under a deficit, and you can not make me believe that the credit of our Government and the credit of business are going to fail merely because we do not balance the Budget on June 30, 1933! Why not impose a reasonable tax upon wealth and upon business and upon all those who are best able to stand it and then issue certificates for the balance until this Government gets in a better condition to pay for its current operations. [Applause.] The issuance of certificates of indebtedness would not serve to depress the price of our Government's securities. Only recently a very large amount of certificates was oversubscribed to a great extent. The people and the country ought to be permitted to recover to some extent before we rush into an imposition of taxes which they are so little able to pay at this time. This country has such resources and such great wealth that it seems preposterous to me for anyone to argue that unless the Budget is balanced within the next year our credit will fall and chaos result.

The people of this country, and particularly those who are now finding it so hard to procure the actual necessities of life, should not be expected to take care of the great orgy of extravagance and expenditures of the last 10 years in the short space of a year. This argument that the Budget must be balanced found its origin among those who have been seeking for years to impose the sales tax in order to be relieved of the income tax, and it has been repeated so often that it has been accepted as a fact by many. Mr. Arthur Brisbane, the great columnist and editor, said the other day:

Like children with a puzzle trying to get one metal ring out of another, this country is intent on "balancing the Budget." An additional income tax that discourages initiative, taxation of theaters already in distress, and a thousand other plans are suggested to "balance the Budget" and unbalance business generally. Why balance the Budget? When a man is sick you do not make him run a mile. You wait until he is better. Why not borrow what the Government needs beyond its normal income, issuing bonds and calling them in gradually as conditions improve? It is said, "We must balance our Budget to maintain credit with foreign nations." Why worry about foreign nations? If they paid what they owe, our Budget would be balanced easily.

I want to tell you, gentlemen, if you impose this sales tax, you will be confronted with the proposal to repeal the income tax and the Federal corporation tax in a very few years. [Applause.] Put the nose of this camel under the tent, even for a small period of time, and the same arguments will be used here a year from now or two years from now in order to retain it upon our statute books.

Let me read to you a paragraph from a letter which I received from the Philadelphia Board of Trade, in which an officer of that board frankly expresses his position and the position of the board with reference to the income tax. He says:

On the question of a final sales tax, so specified to avoid duplication or pyramiding of taxes, it is conceded, as we understand it, that in the event Congress does—and we sincerely hope it will—enact the sales-tax legislation, that automatically Congress will repeal the Federal income and the Federal corporation taxes.

Let me say to you gentlemen who have stood on Democratic platforms, if you please, you gentlemen who have advocated an income tax upon every stump in your districts and in your States and throughout the country, that in undertaking to impose a sales tax as a policy of this Nation you are lending yourselves, unintentionally, of course, to the schemes of those who have it in their minds to repeal the income tax, the most equitable and just tax ever imposed. [Applause.]

I know the amendment of the gentleman from Georgia [Mr. CRISP] has relieved a few of the objections to a certain extent, but do not forget this, gentlemen. You are still confronted with the fact that if you pass this bill as it is now written, you are voting over \$400,000,000, by the admission of its author, on the backs of those people who are least able to bear it. [Applause.] Some one has said that the action of the committee has brought us nearer to communism than any other nation except Russia. Let me say that communism will never result from the taxing of wealth even though it is made higher than it should be. If communism gains a serious hold in this country, it will be because of the continual piling up of burdens upon the backs of those so little able to bear them. But lest I be misunderstood, let me say that I do not fear communism at any time in this country. Our people are too loyal and too much imbued with the spirit of liberty to ever yield to any such pernicious doctrine.

Mr. HAWLEY. Mr. Chairman, the Committee of the Whole has had under consideration the proposed revenue bill for several days and has made certain amendments to it. The estimates of the increased revenue of the four chief amendments so far made are as follows. These estimates I am giving now are additional earnings above that that would be earned under the bill as reported by the committee:

On the normal tax on individuals the increase due to change in the higher brackets from 6 to 7 per cent is \$3,000,000.

The change in the surtax rates represents an increased amount earned over that proposed in the bill of \$17,000,000.

The elimination of the credit for taxes paid in foreign countries increases the amount earned over that proposed in the bill by \$12,000,000.

The increases in estate taxes by the rates proposed in the Ramseyer amendment would add \$8,000,000.

Adding these together, we have a total of \$40,000,000 of revenue from these sources additional to that earned from the same sources as proposed by the committee.

These figures apply to the fiscal year 1933. More money will be received from them in the subsequent years; but we are now endeavoring to balance the Budget by the end of the fiscal year 1933.

The manufacturers' excise tax as proposed in the bill as reported by the committee was intended to earn \$595,000,000. Subtracting this \$40,000,000 of the additional revenue, there remains yet to be obtained either from the manufacturers' excise tax or in some other way the sum of \$555,000,000 in order to balance the Budget by June 30, 1933.

There are only three ways by which we can balance the Budget—by raising the taxes necessary, by issuing bonds, or by a combination of the two.

I think it is generally conceded that the credit of the country, industrially and economically, depends for its stability on the credit of the Government, and that continued issuance of securities to pay current expenditures will further impair the public credit.

The committee, having that in mind, made the proposals contained in the bill.

The committee did not come in here with any other purpose in mind than to submit for the consideration of this distinguished body the needs of the Government and what, in our judgment, was the most equitable method of providing for them. We had no intention of imposing on any part of the people any greater burdens than the lowest amount possible by which the Budget could be balanced.

If the Committee of the Whole and the House decide to eliminate the manufacturers' excise tax, it will be necessary to raise \$555,000,000 in order to balance the Budget. From what other source can we obtain this amount? The committee concluded that this tax equitably distributed the burden and that by reason of the low rate proposed and its wide distribution it could be more easily borne and retard as little as possible the economic recovery.

If this tax is stricken from the bill, let me emphasize by repetition we are then confronted by the necessity of raising \$555,000,000, or we say to the world and the country that we do not propose to protect the credit of the United States, and that a dollar of its indebtedness shall not be paid by a dollar in money but rather paid out of the proceeds of increases in the public indebtedness. The credit crisis will not be ended by further increase of the public debt. The sale of Government securities will absorb great amounts of money needed for the rehabilitation of industry, trade, and commerce; will continue low prices to the farmers, and defer the reemployment of labor. [Applause.]

Mr. LAMBETH. Mr. Chairman, although a new and inexperienced Member of this body, I dare trespass for a few moments upon your time to state my views on the pending bill. I rise as the Representative of the seventh North Carolina district under the highest form of compulsion, a sense of public duty—"stern daughter of the voice of God."

I have given this bill my conscientious consideration and earnest study for days and weeks, but I can not consistently give it my vote. I recognize the tremendous responsibility which has devolved upon the members of the Ways and Means Committee, and particularly upon the acting chairman [Mr. CRISP], whose patriotism and devotion to the public service are unexcelled in this body. In registering my objections to their work, I have no criticism of their motives or unselfish service.

Judging by the many letters of protest received by every Congressman and reading the voluminous hearings held by the committee, one is convinced that the perfectly natural reaction of all taxpayers to any increase in taxation is aptly stated in the following couplet:

Congress, Congress, don't tax me,
Tax that fellow behind the tree.

Mr. Chairman, I came here with the highest admiration, respect, and even reverence for the splendid leaders of our party, having recently become the majority party of this House, and I came here with the expectation of following their leadership without hesitation or faltering one step of the way, but I can not follow them in this matter.

We have heard and read much in recent years of the conflict between Hamilton and Jefferson in the beginnings of this Republic; but I have never heard of such a paradox as Hamiltonian Democracy until it lifted its ugly head in this bill.

Leaders of this House, in their desperation to rally their deserting followers, have stigmatized the opposition to the sales-tax feature of this bill as socialism, bolshevism, and communism.

It is a historical fact that when the system of free public schools was first evolved the Bourbons of my State denounced it as socialistic. When the first public water-works plant was built in my little city there were those who called it socialism. If opposition to this bill constitutes socialism then for myself I accept the label and wear it proudly, for it would make Thomas Jefferson a socialist, Andrew Jackson a bolshevist, and Woodrow Wilson a com-

munist, and I am perfectly willing to be put in that category with them.

Before a vote is taken on this important feature of the bill I would like to say a few words setting forth my views in explanation of my opposition to the sales-tax section, as well as other items of the bill. I can not but believe that it violates the fundamental tenet of taxation—ability to pay—as enunciated by economists and other authorities on taxation from Adam Smith down through John Stuart Mill and Ricardo to Edwin R. A. Seligman. A sales tax is an income tax in reverse. In principle it is grossly unfair. It is no pleasure to call upon people to make sacrifices or to bear additional burdens but the task is made more difficult when the method selected to make the sacrifice is as intolerable and unconscionable as that presented to us in this bill.

I do not consider that a deficit itself is necessarily a matter of serious import because unexpected expenditures may become necessary during the currency of the fiscal year. The deficit at the end of the year is not so important as whether or not policies are inaugurated looking to meet that deficit. The serious thing is whether the country will take steps to balance its Budget. Failure to do this would cause grave doubts to arise as to the financial stability of the country. To my mind, the fundamental question is not the balancing of the Budget at any given immediate date, but that we pursue such a course as to bring about this balancing within a reasonable period.

Now, this is the problem we have to solve and it can be solved only in two ways—either by reducing expenditures or by increasing taxes, or a combination of both. I would approach this problem of the deficit first from the angle of further reducing in a drastic manner Federal expenditures by not less than \$250,000,000. When that has been accomplished, I would then write the most equitable tax measure possible to raise the balance of the deficit upon the principle that the favored and wealthy classes should first be levied against to provide sufficient funds to bring up the revenues to meet the reduced expenses. When, after these means had been exhausted, including, if necessary, the levying of specific limited excise taxes against articles which are not of first necessity, then and then only would I resort to the general sales tax as a final unavoidable means of raising sufficient money to balance the Budget.

As late as January 13 of this year the Secretary of the Treasury testified as follows:

[Hearings on Revenue Revision, 1932, before Ways and Means Committee, p. 4.]

In the development of our program many possible forms of taxation were considered. We laid aside all thought of a general sales or turnover tax, not only because generally speaking it bears no relation to ability to pay and is regressive in character, but because of the great administrative difficulties involved and the almost inevitable pyramiding of the tax in the course of successive sales. The objections to a general sales tax are not in this respect applicable to a tax on selective articles of the character heretofore employed in this country and now recommended.

We have studied the limited manufacturers' or producers' sales tax, which is being administered with a fair degree of success in Canada. There a tax is imposed at the rate of 4 per cent of the manufacturers' sales price or the import value of all goods not exempt which are produced or manufactured in Canada or imported into Canada. It is distinctly not a turnover tax. Retailers are exempt. Indeed the extent of the exemptions is very great, covering thousands of specific items and classes of items. Pyramiding is avoided by a mechanism of licenses and certificates, the effect of which is to collect the tax when the last licensed taxpayer sells to an unlicensed purchaser. The success of the tax appears to be due not only to good administration but to very wide administrative discretion. The tax is passed on and therefore must add to the cost of living.

With some 200,000 manufacturing establishments in the United States, our much more extensive and complicated industrial mechanism, our tendency to set out administrative procedure with almost meticulous accuracy in our statutes, and our reluctance to grant administrative discretion or authority to administrative officers to make final decisions, it is extremely doubtful whether the Canadian sales tax would meet with the success in our country that it has across the border.

It is politically inexpedient for the Democratic Party to be used as a pawn by a few rich men in this country who are now seeking to take advantage of this crisis and in the

guise of balancing the Budget to deceive gullible Congressmen under a spurious appeal to their patriotism to vote a form of taxation which is absolutely contrary to all the principles of democracy and the greatest principle of all, that of equality of opportunity.

Organizations representing half the total population of the country—including labor, farmers, merchants, manufacturers, and consumers—have registered their opposition to the sales tax. It is fair to assume that the overwhelming majority of the remainder of the people wish to see it defeated. Who favors the sales tax? That is a question yet to be answered by its proponents.

Oh, no, Mr. Chairman, I am not unmindful of the tremendous hue and cry which is going up here "that the Budget must be balanced," and I well realize that an unbalanced Budget is regarded as one of the symptoms of national financial instability. However, there are more important things than balancing the Budget. *The confidence of the people in the fairness of their own Government and the maintenance of that confidence are far more important than the mere balancing of a Budget in any single year; and this will not be accomplished in the least degree by writing into this bill a tax as vicious and as obnoxious as the so-called manufacturers' sales tax.* It is a poor man's tax, due to the fact that 90 per cent of all the manufactured products in this country are purchased by persons with incomes of less than \$5,000.

These people spend the bulk of their incomes in consumption, and this tax bill will place upon them a burden fifty times as heavy as that which it imposes upon the rich. Is such a tax equitable? Is it fair? Is it just? Do my friends on the committee think this tax equitable when we are told that notwithstanding the fact that 4 per cent of the population own 80 per cent of the entire wealth, those with incomes over \$100,000 will only pay \$20,000,000 of the proposed sales tax of \$595,000,000. That is one reason why I say it violates the principle of ability to pay.

Mr. Chairman, there is at the present time in this country probably a greater concentration of wealth than in any other country in the entire world, and notwithstanding this fact there is only being paid into the Treasury of both the Federal Government and the States \$165,000,000 from inheritance taxes, while in England \$400,000,000 is derived from this source. Think of that, a country like Great Britain, with only about one-fourth of our national wealth, obtaining two and one-half times as much revenue from death taxes. Do not the gentlemen of the committee believe that part of this deficit could be raised from a reasonable further increase in the inheritance-tax schedule without disturbing business or the employment of labor?

Now, I desire to call the attention of the House to the committee report on page 9, where it is stated that the tax paid by the head of a family with an income of \$2,000 would be negligible due to the fact that probably one-half of this sum would be spent on foodstuffs exempt under the sales tax and that the remaining one-half would be spent for articles on which the manufacturers had paid a tax. That is a most ridiculous and absurd statement to have been prepared by so-called experts; to make this body believe that a man with an average family of four or five and making only \$2,000 a year, would consume half of it for food is grossly incorrect as the correct figure is 25 per cent—not 50 per cent. There is an adage that a half truth is worse than an untruth, because it misleads uninformed persons. But, Mr. Chairman, it is just another instance of the subterfuges which have been employed to make those Members who still have the interest of the masses at heart, believe that a manufacturers' sales tax would not affect the little man, and then if it did, it would not be burdensome.

To know that the people of North Carolina would be burdened with an additional tax of not less than \$18,000,000, from the sales tax alone, only goes to intensify my determination to oppose this feature to the utmost of my ability. Gentlemen, I know the conditions that exist in my State to-day; I know the condition of the people of my own district. Of course, the \$18,000,000 referred to is only one part

of the increase in taxes which this bill will place upon the citizens of my State and then to realize that the yield of the gasoline tax in North Carolina, which is the main source for paying off the enormous indebtedness of the State, will be decreased materially as the price of oil and gas goes up due to the attempt to write into this bill a tariff on oil imported into this country—something which never has been done before by Democrats—my sense of justice and my responsibility to the people of my district compel me to rebel against such a bill.

Are we in favor of a tax in this country which in a great many ways would be comparable to the *likin* system in China, which has done more to retard that backward country's progress than anything else? This tax is one which makes it too easy for the price to be pyramided to the consumer. I know that we have been told of the wonderful success of the sales tax in Canada and about the wonderful advantages of such a method of raising revenue; but, regardless of what we have been told, I am opposed to it because I know it is wrong in principle. Why did they not borrow also the Canadian surtax rates on incomes? Under the committee bill a net earned income of \$25,000 to a married man with no dependents would be taxed only \$1,660, whereas in Canada the tax would be \$3,160, or virtually double.

Comparison of actual income tax paid under the following laws and in the following countries by married men with no dependents (income assumed to be all earned)

Individual income	United States revenue act		Committee bill, 1932	Canada	Great Britain	France
	1921	1928				
\$3,000.....	\$20.00	None.	\$2.50	None.	\$406.25	\$350.67
\$25,000.....	2,880.00	\$1,023.75	1,660.00	\$3,160.00	7,572.50	5,807.33
\$100,000.....	31,190.00	15,768.75	25,620.00	24,910.00	48,747.50	40,413.33
\$1,000,000.....	663,190.00	240,768.75	439,620.00	500,000.00	647,497.50	430,413.33

Mr. Chairman, I ask unanimous consent to insert at this point an editorial from the Greensboro Daily News, March 19, 1932, on the Canadian sales tax:

[Editorial from the Greensboro (N. C.) Daily News, March 19, 1932]

THE OTHER SIDE

Canada's opinion of the sales tax, which congressional leaders would emulate in the United States, is, to all appearances, not as unanimously favorable to the levy as the testimony given by certain witnesses before the House Ways and Means Committee would indicate. Perhaps it is safest to say that Canadian views are as variegated as those which prevail upon the same topic in North Carolina; they depend entirely upon the attitude and connections of the person from whom they are obtained.

But be that as it may, the New York World-Telegram, which is opposing the sales levy, has gathered information from its Canadian correspondents which is antipodal to the glorification given the Dominion plan in congressional hearings and which, it is claimed, comes directly from the people who have to pay the tax and not from officials and representatives of the Government which was forced to resort to it in times of financial exigency.

The tax, the World-Telegram learns, is hailed as a war baby and has been denounced by the Canadian Manufacturers' Association, the Trade and Labor Congress, all the major farm organizations, and many boards of trade and chambers of commerce on the grounds that it "is cumbersome and intricate, acts unfairly as between certain commodities, loads the tax on those least able to bear it, and encourages profiteering and pyramiding."

That the levy has not enjoyed any political blessing is to be expected, but the manner in which it has been handled by the Canadian parties is nevertheless enlightening. During the Liberal régime it was constantly under fire from the conservatives and progressives, and so vigorous became the opposition that in 1930 it was reduced to 1 per cent. When the conservatives came into power, however, the rate was raised to 4 per cent, Prime Minister Bennett himself terming the tax "undependable," but expressing fear that a readjustment of the Dominion's fiscal system would "further dislocate business during the depression"—a thought which apparently has not entered the mind of American legislators who would completely overhaul the program under which the entire citizenry operates.

The Canadian tax, which raises \$65,000,000 during the current year, is estimated to place a burden of \$30 on every family in the Dominion with the actual cost eventually raised to \$55 by the pyramided increases of commodity costs. Perhaps the declaration of "a Montreal tax expert" should be stricken from the record as incompetent or hearsay evidence, but nevertheless his assertion that "the sales-tax victims would gladly exchange it blindfold for almost any other kind of tax" is included in the opposition brief.

The greatest deliberative body in the world can hardly fail to give these reports consideration, for whatever they may be worth, before final vote upon the pending revenue measure.

I also know that England, faced with a deficit of nearly a billion dollars—think of it, a country only one-fourth as rich in national wealth as ours—balanced its budget in the fall of 1931, and did so without the imposition of such an obnoxious tax as this sales tax.

The committee say they have sought in vain for another source of revenue. May I suggest that before they tax the men who toil honestly for their living, why do they not go to the street called "Wall" and single out the big gamblers of this country, unconscionable in their mad rush to make profits for themselves, who would even go to the extent of selling securities short when the banks of this country were fighting for their very existence? These men—public enemies—made during 1931 the largest profits they ever made by selling securities short, and I commend to the consideration of this body an amendment, which I shall offer to the bill at the proper section, which will wrest from their greedy hands at least a part of the profits which they have wrung from the misery and suffering of the people of this country.

Mr. Chairman, the thanks of the overwhelming majority of the Democratic Members of this House are due "FARMER BOB" DOUGHTON for his determined and unrelenting opposition to the objectionable features of this bill. He has played a lone hand among the 25 members of the Ways and Means Committee. In doing so he has not only been a true Representative of North Carolina but he has also deserved well of all the American people.

In closing I can not overlook the aspersion cast upon the opposition to this bill last Friday when it was said we were being guided by an invisible lobby. Yes, an invisible lobby to those who have eyes to see but see not and ears to hear but do not hear the voice of the masses of the American people lifted in one mighty chorus reaching from the Atlantic to the Pacific and from the Gulf to Canada in opposition to this indefensible system of taxation.

When wilt Thou save the people?
O God of Mercy! When?
Not kings and lords but nations,
Not thrones and crowns but men.
Flowers of Thy heart, O God, are they,
Let them not pass like weeds away,
Their heritage a sunless day,
God save the people.

Shall crime bring crime forever,
Strength aiding still the strong,
Is it Thy will, O Father,
That man shall toil for wrong?
"No," say the mountains;
"No," Thy skies;
"Man's clouded sun shall brightly rise
And songs be heard instead of sighs."
God save the people.

Mr. CROWTHER. Mr. Chairman, it seems to me that this is rather a poor time to indulge in partisan speeches. I do not think in a crisis of this kind it is the time to make a comparison between Jeffersonian Democracy and Hamiltonian Republicanism. Since the Congress opened there has been a constant appeal from the President, from the country, and from everybody interested that you and the majority on your side of the House would go along with the President's program and that both sides of the House would lay aside politics for the time being. Greatly to the credit of the membership on the Democratic side of the House, that plan has been very splendidly followed. The minority and the people of the country commend your action, and I congratulate your side of the House for their cooperation. In exactly the same spirit the Republican members of the Ways and Means Committee agreed to work with the distinguished acting chairman, the gentleman from Georgia [Mr. CRISP], and the other Democratic members of the committee, along precisely the same lines, agreeing that we would have no cross-firing on political subjects during the discussion and that we would try to have just one common viewpoint, namely, the balancing of the Budget.

The adoption of a sales tax was not a pleasant thing for the Democratic members of the committee or for the Repub-

lican members of the Committee on Ways and Means. When we started in on the hearings you could not have secured a corporal's guard—I do not know that you could have found a single Member in favor of a sales tax; but after we had gone over the ground, combed every source of revenue with a fine-tooth comb, put income and estate tax rates where we thought they were dangerously near the point of diminishing returns, we found some other method had to be adopted to raise revenue, and we all came to the conclusion, after studying the effect of the tax in other countries, that it was in a sense equitable and not an unfair tax. If you do not buy very much, you do not pay very much in sales taxes.

The more you buy the larger tax you pay in proportion. Many men on the Democratic side of the House, and one in particular, my friend from Massachusetts [Mr. CONNERY], still reiterate the statement that it is not necessary to balance the Budget. They say that we can get along by the issuance of bonds. Day by day we see the currency of other nations depreciate in value, and we have seen 19 of them go off the gold standard. The necessity of keeping the American dollar at par ought to be our main objective. It is unthinkable that this Government should go along on a borrowing basis, creating new debts in the overhead of interest, and sinking-fund charges. It ought not to be done. It is not merely a \$600,000,000 deficit that some of you men talk about. We have charged off nearly a billion dollars for 1931, charged it back to the national debt. On June 30 of this year we shall charge back over \$2,000,000,000 more, which, with the estimated deficit in the fiscal year 1933, will be \$5,000,000,000 added to the national debt, which we reduced by over \$9,000,000,000 during the period of 11 years following the war.

The people of this country are looking to this Congress for a constructive program. You are their elected Representatives, and they expect us to lay aside party politics and petty prejudices in an effort to stabilize the credit of the United States by balancing the Budget. For the good of our country I appeal for your cooperation. [Applause.]

Mr. LAGUARDIA. Mr. Chairman, I agree with my colleague from New York [Mr. CROWTHER], that there should be no partisan feeling in this, and I join in an appeal to make this a bipartisan movement and follow the American people against the sales tax. The gentleman from New York with seeming pride to-day points to the example of other countries, and yet the same gentleman from New York, in pleading for a tariff, will point to the impoverished condition of the working people of other countries. There is not a country in the world where the standard of living is as high as it is in the United States, and we are not going to permit anyone with a sales tax to lower that standard of living. [Applause.] It has been stated that the purpose of a sales tax is to destroy the income-tax system. That is true to-day as it was 10 years ago. That is the real purpose of it, and I quote as my authority for a recognized authority no less than the able and distinguished statesman who is the majority floor leader, the gentleman from Illinois [Mr. RAINY], who, in a discussion of the tax bill on December 16, 1926 (CONGRESSIONAL RECORD, page 928), when opposing a reduction of income taxes, said with prophetic wisdom:

You have secured a reduction in taxes which even the greatest malefactor among the malefactors of great wealth in this country dared not even to expect. In order to accomplish this you have removed the real captains of industry in this country far from the hope of reduction in their surtax rates, the men paying surtaxes on \$44,000 and under. In order to accomplish this you have contemptuously hurled a present, a gift, a bribe of \$10 each to 2,300,000 men in this country and have said to them, "We propose to go on in our career; we propose to steer in the direction of a sales tax; and we have bribed you with \$10; we have given you that, and you can continue to pay these sales taxes, and we are going to eventually increase them in periods of distress, when we need more money." You will surely need more money. The ordinary expenses of this Government have been increasing all of the time. * * * The cost is increasing in almost geometrical ratio, and in time you will need more money, and you know it; and in time you expect to go to sales taxes, and as a step in that direction you strike down the income-taxing system of the country by striking the blow at both ends of it, at the top and at the bottom.

The other day the gentleman from Illinois [Mr. RAINY] pointed to the insidious lobbying and propaganda against

the sales tax and referred to the American Taxpayers' League. We all know the Mr. Arnold and his league. I took the list of the American Taxpayers' League as contained in the report of the Senate lobby investigation. I took the 66 largest contributors to the American Taxpayers' League—that insidious lobby mentioned by the gentleman from Illinois—and I telegraphed all, asking their stand on a sales tax, and 63 of them I find are in favor of the sales tax, and here is a list of the largest contributors to Arnold's American Taxpayers' League and their stand on a sales tax:

EXHIBIT A OF REPORT OF SENATE SUBCOMMITTEE OF COMMITTEE ON THE JUDICIARY ON LOBBYING AND LOBBYISTS, SEVENTY-FIRST CONGRESS, REPORT NO. 43, PART 4

Receipts—American Taxpayers' League, September 1, 1928, to August 31, 1929 (typical contributions)

IN FAVOR OF SALES TAX (REPLYING TO INQUIRY ABOUT SALES TAX)

Firm name	Amount	City
Jos. T. Ryerson & Son (Inc.)	\$250	Chicago, Ill.
Colonial Steel Co.	200	Pittsburgh, Pa.
H. B. Rust	1,000	Do.
Edward B. Greene	500	Cleveland, Ohio.
National Shawmut Bank of Boston	500	Boston, Mass.
L. F. Loree	250	New York, N. Y.
Union Draft Gear Co.	250	Chicago, Ill.
Estate of Henry Failing	200	Portland, Oreg.
Colorado Springs Clearing House Association	200	Colorado Springs, Colo.
Kansas City Power & Light Co.	250	Kansas City, Mo.
National Silk Dyeing Co.	250	Paterson, N. J.
E. B. Dane	500	Boston, Mass.
Hoover Co.	500	North Canton, Ohio.
William Minot	300	Boston, Mass.
Colgate Palmolive Peet Co.	1,000	Chicago, Ill.
Stephen O. Metcalf	500	Providence, R. I.
L. F. Loree	250	New York, N. Y.
The Maytag Co.	250	Indianapolis, Ind.
C. S. Williams	250	New Orleans, La.
Harris Trust & Savings Bank	200	Chicago, Ill.
W. C. Bradley	500	Columbus, Ga.
Elgin National Watch Co.	250	Chicago, Ill.
W. P. H. McFaddin	1,000	Beaumont, Tex.
Pure Oil Co.	500	Chicago, Ill.
S. Clay Williams	200	Winston-Salem, N. C.
John W. Blodgett	500	Santa Barbara, Calif.
Electric Autolite	250	Toledo, Ohio.
W. S. Farish	500	Houston, Tex.
Crane Co.	1,000	Chicago, Ill.
Armstrong Cork Co.	1,000	Lancaster, Pa.
Otis & Co.	1,250	Cleveland, Ohio.
Hornblower & Weeks	500	Boston, Mass.
Wheeling Steel Corporation	250	Wheeling, W. Va.
Wrought Iron Range Co.	250	St. Louis, Mo.
Chas. J. Webb & Co. Inc.	1,000	Philadelphia, Pa.
Harris, Forbes & Co. Inc.	250	Boston, Mass.
Old Colony Trust Co.	500	Do.
Hartford Connecticut Trust Co.	200	Hartford, Conn.
South Carolina National Bank	200	Greenville, S. C.
Southern Pine Lumber Co.	250	Texarkana, Ark.
A. M. Byers Co.	250	Pittsburgh, Pa.
First National Bank	250	Do.
Byllesby Engineering & Management Corporation	1,000	Chicago, Ill.
Larus & Bro.	500	Richmond, Va.
Western Cooperage Co.	200	Portland, Oreg.
Seovill Manufacturing Co.	400	Waterbury, Conn.
Gunn Furniture Co.	200	Grand Rapids, Mich.
The Bettendorf Co.	750	Bettendorf, Iowa.
Massachusetts Gas Cos.	250	Boston, Mass.
H. B. Cheney	250	South Manchester, Conn.
W. R. Cole	500	Louisville, Ky.
Foxworth Galbraith Lumber Co.	250	Amarillo, Tex.
Duquesne National Bank	200	Pittsburgh, Pa.
Pillsbury Flour Mills Co.	250	Minneapolis, Minn.
First National Bank & Trust Co. of New Haven	250	New Haven, Conn.
American Rolling Mill Co.	500	Middletown, Ohio.
R. A. Crawford	400	Dallas, Tex.
Eastern & Western Lumber Co.	200	Portland, Oreg.
Insull Properties	1,500	Chicago, Ill.
Armand Co.	250	Des Moines, Iowa.

OPPOSED TO SALES TAX

Dollar Savings & Trust Co.	200	Wheeling, W. Va.
International Shoe Co.	500	St. Louis, Mo.
Kellogg Co.	300	Battle Creek, Mich.

I have the communication from each one, and all my colleagues may inspect them, or I will be glad to place them in the RECORD, if so desired.

I want now to point out in the few moments I have the unfairness exhibited in stating figures in estimates. Every time that an exemption was made the figures were exaggerated, and every time we added a tax or increased a rate the figures were minimized. Even though the increased rates on incomes will bring in no revenue, I say the new

rates are not only useful but extremely necessary in the future. I am sure, however, that the increase which will be realized by the higher rates will be considerably more than now estimated by the Treasury Department. I again call the attention of the House to the estimates of experts made as to anticipated incomes in 1932, which I read to the House last Friday, and may be found in the RECORD of March 18, 1932. In the brackets between \$100,000 incomes, up to the very limit of incomes over \$1,000,000, the estimated income is no less than \$1,006,000,000. This figure allows a most generous decrease from the known figures of 1930. It was based on the amounts of income in 1930 in accordance with the returns filed August 31, 1931. I mention this because of the ridiculously low estimate of the Treasury Department, the experts, and advocates of the sales tax. Figures are being distorted, scrambled, if not juggled, in order to create the idea that there will be little or no revenue from income taxes and that therefore a sales tax is essential. That is not so. I am certain and confident that the future will prove that a sales tax was not necessary, and that the increased rates on income, aside from the beneficial social purpose, will bring substantial increases in revenue. That is true also of the new schedules approved by the House in the Ramseyer amendment on inheritance.

It is true that in the case of inheritance tax the revenue or increased revenue may not be seen immediately, but, again, this is social legislation so obvious in its necessity and purpose that comment at this late hour is not necessary. We are by no means finished with this bill. Many new sources of revenue will be written into this bill. Many changes, I hope, in administrative features will likewise be written into the bill which will also bring additional revenue. I propose to offer an amendment to section 104 which embraces the subject of personal holding companies and surpluses created by undivided profits for the purpose of evading income taxes. This section has been a dead letter for many years. It has been only feebly, half-heartedly, and ineffectively invoked during the past few years. I propose to make it effective, to put teeth in it, and to add several millions of dollars annually to our revenue. I have already announced a proposed amendment providing a one-quarter of 1 per cent tax on the sales price of all stocks and securities sold on the various exchanges throughout the country and an additional one-quarter, making it a one-half of 1 per cent tax on all short sales made on the various exchanges. This alone, even in the period of depression, will bring in about \$150,000,000, and in normal times will bring in well over \$300,000,000 a year. Other suggestions which I have made are known to the House. I am confident that this odious sales-tax provision will be stricken from the bill. After that I will be glad to join and cooperate with the committee in bringing to the House other provisions less objectionable to raise the necessary revenue to meet the exigencies of our depleted Treasury. May I in passing recall that many of us predicted this very condition when we voted against tax reductions of 1924 and 1926, and particularly the last reduction of 1928? Many of us joined with the gentleman from Illinois [Mr. RAINEY] and the distinguished Speaker of the House [Mr. GARNER] in opposing income-tax reductions in the past to prevent sales tax in the future. As I have quoted from Mr. RAINEY, he pointed that policy out in 1926. We were against the sales tax then, we are against the sales tax to-day, and the opposition presented at this time by the House is indicative that we will defeat it within the next few minutes.

A great deal has been said about "soaking the rich." That, of course, is nothing but inspired propaganda, repeated with parrotlike stupidity. In one breath it is said the added rates will bring no income and the next breath that we are soaking the rich. Then it is said we are opposing a sales tax because we are soaking the rich. That, indeed, is a sad confession for these wise, trained, influential, and powerful patrons of entrenched wealth to make. How anyone could be so simple as to believe that this Congress of experienced and trained legislators will swallow a sales tax and believe the vicious propaganda against an income-tax system indicates only an arrogance and conceit created by successes

of the past in obtaining legislation for a privileged class and protection for legalized exploitation. The depression at least has provided a liberal economic education for the people of this country. It will provide the planning and the beginning for an economic readjustment, and that beginning is right now in eliminating a sales tax and providing social legislation to eventually break up the concentration of the national wealth in the hands of a few individuals.

Reference has been made that a sales tax has never been approved or indorsed in any political platform of any party. That is so. It has never been openly advocated before any committee of Congress. It was brought in by imposition, misrepresentation, misstatements, false information, and veiled threats of what might happen in the future. It was exposed in public sessions of the House of Representatives after free, full, and frank debates, and the vote within a very few minutes, I am sure, will put an end for many years to come to any thought of a sales tax law in this country.

In closing, I submit that a great deal was said about the so-called generous offer of exemptions. Exempted food and wearing apparel, farm implements, and medicines were promised, and we rejoice with that. But when we took it home that night and analyzed what it meant, when we consulted with the so-called experts and officials of the Treasury Department, we found that instead of taxing a suit of clothes they taxed the textiles, the linings, the trimmings, the cloths, the buttons, and everything that goes into a garment, a dress, a coat, or a suit of clothes. Instead of taxing shoes they would tax the leather; so that all this is only a sham exemption, and the only way to protect the American public now is for all of us to stand together and completely knock this sales tax out of the bill. [Applause.] This is the big victory of a united and indignant protest. It is not only a victory against the sales tax, but for the first time we have been able to tear down sectional barriers, and the exploited people of the North have joined hands with the suffering folks of the South, and we have joined forces with the suffering farmer of the West, and for the first time special-privileged wealth has not been able to write a revenue bill in the American Congress. [Applause.]

The CHAIRMAN. The gentleman from Georgia [Mr. CRISP] is recognized for five minutes, which will consume all the time allotted under the unanimous-consent agreement.

Mr. CRISP. Mr. Chairman, obviously I can not argue this bill in five minutes. I simply desire to assert again that in my judgment it is the most equitable way to balance the Budget, the way least injurious to the people and the least harmful to business.

I concede that all of the gentlemen opposing this bill are actuated by intelligence, patriotism, character, and love of humanity; but, gentlemen, you do not possess it all. [Applause.] Those who are advocating this bill also have those same attributes, and my record in this House for 20 years shows that I have stood for the masses of the people, and my life at home is an open book, and you can not make any of the working people down home believe I am not their friend. [Applause.]

Now, in normal times you can raise money from income and corporation taxes, and if business were normal to-day we could raise two and one-half or three billion dollars from the rates in this committee bill; but it can not be done to-day. With these increases, with the increase adopted on the floor of the House, only \$295,000,000 additional has been raised, according to the estimates of the Secretary of the Treasury. I had a letter from him this morning, in response to telephonic inquiry, saying that the receipts on March 15 were about \$184,000,000. They had estimated \$200,000,000 to be received during March. The payments up to date are \$184,000,000. He says he does not believe the receipts would necessitate a lowering of the estimates, but it demonstrates conclusively the accuracy of the estimates, or that they are low, that they are conservative, and that the Government could not get any more money.

Mr. CONNERY. Will the gentleman yield?

Mr. CRISP. No; I can not yield now.

If we can not get the money from these high taxes, if we are going to get it at all, we must go to some excise tax. Whether that is called a tariff, a sales tax, or a special levy on automobiles, tobacco, or any other property, it is a sales tax; and an income tax from corporations and individuals in business, so far as it is possible to pass it on, is also a sales tax.

Now, Mr. Chairman, the die is cast. I am quiescent in your judgment. I have performed my duty. I hold no titular place of leadership on the Democratic side. During this Congress I have been given no preferment. I occupy the same place on the Ways and Means Committee that I did in the last Congress. By virtue of the illness of the chairman a responsibility was thrust upon me, and I have measured up to it to the best of my ability. [Applause, the Members rising.]

Any influence I may have in this House, be that little or naught, I have in my capacity as an individual Member, and in this conflict I have criticized no one. I have been true to my convictions, for what is best for my country, and I have no regrets and I have no apologies to make for my course. [Applause.]

The CHAIRMAN. Under the unanimous-consent agreement all time has expired.

The question is upon the motion of the gentleman from North Carolina [Mr. DOUGHTON] to strike from the bill the paragraph under consideration.

Mr. CRISP. Mr. Chairman, I ask for tellers.

Tellers were ordered.

Mr. CRISP. Mr. Chairman, I ask that the gentleman from Arkansas [Mr. RAGON] be appointed as teller in my place.

The Chair appointed Mr. RAGON and Mr. DOUGHTON as tellers.

The committee divided; and the tellers reported that there were—ayes 223, noes 153.

So the motion was agreed to.

Mr. McKEOWN. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Oklahoma offers an amendment, which the Clerk will report.

Mr. CRISP. Mr. Chairman, I ask unanimous consent to address the committee for five minutes.

The CHAIRMAN. Does the gentleman from Oklahoma yield for that purpose?

Mr. McKEOWN. I do.

The CHAIRMAN. The gentleman from Georgia asks unanimous consent that he may address the committee for five minutes. Is there objection?

There was no objection.

Mr. CRISP. Mr. Chairman and my colleagues, what I am about to say is not said in any spirit of pique, of discontent, and with no criticism of any Member of this House who voted differently from me on the vote just had. That vote is conclusive. Under the understanding we had, as far as I am concerned, I shall not resist an effort to strike out any of the remaining paragraphs of the manufacturers' sales tax.

I rise, gentlemen, to say this, and I say it impelled by a spirit of manliness and of fairness, that I have been turned down three or four times on the heart of this bill—the income tax, the normal and the surtax, the estate tax, and now the manufacturers' tax. Under the parliamentary law and rules of this House I have lost the right to further manage the bill. If any Member of the opposition desires to take charge, I will be only too willing for him to have that right. [Cries of "No!" "No!"]

If the House desires me to do so, I am quite content to continue, as I have done in the past, to pilot the bill through the House as best I can, and I know that no Member of this body can truthfully say I have been discourteous to or critical of any Member of the House. [Applause.]

Mr. DOUGHTON rose.

The CHAIRMAN. Does the gentleman from Oklahoma yield to the gentleman from North Carolina?

Mr. McKEOWN. Yes.

Mr. DOUGHTON. Mr. Chairman, responding to what the gentleman from Georgia, the able acting chairman of the

Ways and Means Committee, has said, there is no desire on my part, and I am sure there is no desire upon the part of anyone—especially those of my comrades who fought with me in this battle on the sales tax—to take charge of the bill. I made my fight on the sales tax. I have had no disagreement with the committee as to any other provisions of this bill. I, of course, do not favor the oil tax.

Mr. MICHENER. Will the gentleman yield?

Mr. DOUGHTON. Yes.

Mr. MICHENER. In view of the situation which now exists in the House in reference to this most important piece of legislation, and in view of the fact that the gentleman whom I am interrogating is a member of the committee, understands the necessities and prerequisites for writing a tax bill, and understands, I am sure, that no tax bill can be written on the floor of the House—I am sure the gentleman will agree with me in that—and that being true I would ask him if he will not now take the lead to recommit this bill to the committee where it may be studied and reported back to the House, so that we may have a bill which is not written in turmoil and under conditions where each man feels called upon to make a speech in behalf of something in his own district.

Mr. DOUGHTON. In response to the gentleman's inquiry I will say that I have never assumed, and do not now assume, to be a leader so far as this tax bill is concerned. Whatever disposition is to be made of the bill now I think should be decided by the House. That is too much responsibility for me to take.

I do not think it would be wise to recommit it to the Committee on Ways and Means; but if the Ways and Means Committee will suggest amendments that are constructive to take the place of those which have been stricken out, that will be entirely satisfactory to me. Whatever action the House takes will be my pleasure.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. DOUGHTON. Yes.

Mr. LAGUARDIA. The other day, when we arrived at a point where the will of the House had been demonstrated, the committee rose and we met the next day. It seems to me we have arrived at a point now where it might be well for the committee to rise.

We can resume the consideration of this bill to-morrow, and by that time it will be pretty well known what the House desires to do.

Mr. DOUGHTON. Mr. Chairman, the gentleman from Oklahoma has the floor, but I want to announce that I have an amendment which I would like to offer as soon as the gentleman from Oklahoma offers his amendment.

Mr. McKEOWN. Mr. Chairman, I have some amendments to offer, and I think we can dispose of this amendment very easily.

The CHAIRMAN. Let the Chair state the parliamentary situation. Under the action of the committee, paragraph (a) having been stricken out as amended, the next order of business is that the Clerk shall report paragraph (b), on page 226. Pending that, the gentleman from Oklahoma has offered a new paragraph to the bill, which the Clerk will report.

Mr. JOHNSON of Washington. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. Does the gentleman from Oklahoma yield for that purpose?

Mr. McKEOWN. I will ask the gentleman from Washington to wait until my amendment has been read, and then I will answer the gentleman's question.

The CHAIRMAN. The Clerk will report the amendment. The Clerk read as follows:

Amendment offered by Mr. McKEOWN: Before paragraph (b) insert a new paragraph to read as follows:

"(a) For the privilege of manufacturing for sale in interstate commerce, \$50 for each \$10,000 or major fraction thereof on articles manufactured and sold in interstate commerce;

"For the selling at wholesale goods, wares, and merchandise in interstate commerce, the sum of \$50 for each \$10,000 or major fraction thereof of goods, wares, and merchandise sold in interstate commerce;

"For the manufacture and sale of articles direct from manufacturer to consumer in interstate commerce, \$100 for each \$10,000 or major fraction thereof of articles manufactured and sold direct to consumer from manufacturer;

"For selling in retail in interstate commerce in the United States by national chain stores, \$100 for each \$10,000 or major fraction thereof of goods sold in retail in interstate commerce;

"For sales by mail order, the sum of \$100 for every \$10,000 or major fraction thereof of articles sold in interstate commerce."

Mr. CRISP. Mr. Chairman, I make a point of order against the amendment. This is clearly a matter to regulate interstate commerce, and is not germane to a tax bill.

Mr. McKEOWN. This is a privilege tax.

Mr. BLANTON. It is not germane at this point.

Mr. McKEOWN. It is as germane here as it is anywhere in the bill.

The CHAIRMAN. Does the gentleman from Oklahoma desire to be heard on the point of order?

Mr. McKEOWN. Yes.

This section is a manufacturers' tax, and my amendment is simply a tax upon the privilege of doing business in interstate commerce. My amendment is a tax not only upon the manufacturer with respect to the amount of interstate business, but it is also a tax upon the wholesaler engaged in business, and the amendment will raise the money. This amendment will balance the Budget.

Mr. CHINDBLOM. Mr. Chairman, I make the point of order that the committee is engaged in the consideration of section 601, of which paragraph (a) has been read and has been stricken out upon the motion of the gentleman from North Carolina, with notice that in the event that the paragraph was stricken out he would proceed to move to strike out the remaining paragraphs of the section. The amendment of the gentleman from Oklahoma may be in order at some other point, but it is not germane to the matter which is now under consideration, nor does it come in its proper place immediately following the notice given by the gentleman from North Carolina, that in the consideration of section 601, after disposition of his motion to strike out paragraph (a), we will proceed with paragraph (b), and it is not germane to the subject matter that is now under consideration.

The CHAIRMAN. The Chair is of the opinion that the gentleman from Oklahoma is entitled to be heard upon his amendment offered as a new paragraph of the bill. The gentleman from North Carolina will be recognized as soon as that is disposed of. If the Chair had known the gentleman from North Carolina desired to offer a motion, the Chair, of course, would have recognized the gentleman.

The Chair overrules the point of order, and the gentleman from Oklahoma is recognized for five minutes.

Mr. McKEOWN. Mr. Chairman, I want to say to the gentleman from North Carolina that I had no intention of trespassing upon his rights. I want to show you what my amendment does.

The proposition you are faced with is one of balancing the Budget, and we have been told that that was the necessity for the sales tax.

The proposal I have offered here is not a sales tax but is simply a privilege tax. It does not put all the burden on the manufacturer. It only costs the manufacturer or wholesaler \$50, which is paid on each \$10,000 or major fraction thereof on the business done in interstate commerce.

In other words, a factory in New York, if it did no business outside of New York, would pay no tax. If it did a business outside of New York it would pay \$50 on every \$10,000 worth of business.

Now, Mr. Chairman, I want to ask you gentlemen one question. Are you in favor of going ahead and balancing the Budget? If you are, here is how you can do it. This proposal is not a sales tax, it is simply a privilege tax on manufacturers, wholesalers, mail-order houses, and chain stores for doing business in interstate commerce.

Mr. EVANS of California. How much will it raise?

Mr. McKEOWN. Over \$700,000,000—enough to balance the Budget. You will have no trouble with the Budget if you adopt this amendment. There are \$40,000,000,000 of

business in the United States, a large part of which is done in interstate commerce, and if you put this amendment in your bill, you put a fair tax on the privilege of doing business in interstate commerce, your local manufacturer and your local wholesaler will not have to pay anything but their State tax—and that is heavy enough—and you will raise \$700,000,000.

Let me tell you how much retail business national chain stores do in Texas. They sell in Texas \$137,000,000 a year, a large portion of which is not taxed in Texas, \$174,000,000 in Missouri, and these mail-order houses sell anywhere from 5 to 12 per cent of the retail trade of the United States. If you want something that will get money by a fair tax spread all over the territory, you should adopt this amendment.

Mr. MEAD. And it will have a tendency to localize business.

Mr. McKEOWN. It will have that effect. There are 354 national chain systems in this country, and this will bring in about \$12,500,000. The manufacturer that sells direct to the consumer will pay \$100 on every \$10,000 of business.

Now, you say you want to balance the Budget. This will balance all of it.

[Here the gavel fell.]

Mr. McKEOWN. I ask unanimous consent for five minutes more.

Mr. SWING. I object.

Mr. RAGON. Mr. Chairman, I do not believe it is necessary to discuss the objections to this amendment. I just want to call to the attention of the House the fact that by an impressive majority it has been indicated that this House is opposed to anything that will impose a burden of increased taxation on the consumer in the shape of a sales tax. A sales tax is a license to a person to do business. My friend from Oklahoma [Mr. McKEOWN] seeks to make a distinction and calls his plan a privilege tax and not a plain license.

The paragraph you have just defeated here carried a percentage of 2¼. The gentleman from Oklahoma submits one for one-half of 1 per cent. The only thing that you can make of it is that it is simply a sales tax on a smaller scale of percentage. There is a danger in his suggestion, not in the paragraph which has just been defeated, and that is the matter of pyramiding. The gentleman permits the manufacturer to pyramid, he permits the wholesaler to pyramid, and he permits the broker to pyramid, because he puts a tax on each one of them; and as the manufacturer sells to the wholesaler he would incorporate his tax, and as the wholesaler sells to the broker or the retailer he would not only incorporate his own tax but also the manufacturers' tax. So you would have a triple pyramiding right there at the beginning before it goes into the hands of the retailer; and if the retailer happens to be a chain store, he will pyramid it again. I greatly regret to be compelled to disagree with my friend from Oklahoma, but I think his amendment should be defeated.

Mr. McKEOWN. Mr. Chairman, will the gentleman yield?

Mr. RAGON. With pleasure.

Mr. McKEOWN. The purpose of this amendment was obvious. It had no other purpose than to raise money to balance the Budget.

Mr. RAGON. And that is just exactly what we thought of the manufacturers' excise tax.

The CHAIRMAN. The question is on the amendment of the gentleman from Oklahoma.

The amendment was rejected.

The CHAIRMAN. The Clerk will report paragraph (b). The Clerk read as follows:

(b) In addition to any other tax or duty imposed by law, there shall be imposed a tax of 2¼ per cent ad valorem (except as provided in subsection (d)) on every article imported into the United States, unless—

(1) The consignee (within the meaning of the tariff act of 1930) is a licensed manufacturer (or his agent) and the article is an article for further manufacture; or

(2) The consignee (within the meaning of such act) is a registered dealer (or his agent) and the article is an article for further manufacture to be resold to a licensed manufacturer;

(3) The article is imported by a State or political subdivision thereof, or any agency thereof, for use solely in the exercise of a governmental function; or

(4) The article is specifically hereinafter exempted.

Mr. DOUGHTON. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. DOUGHTON: Page 226, lines 8 and 9, strike out the words "of 2¼ per cent ad valorem (except," and in line 10, strike out all after the word "States" down to and including the word "exempted," in line 22.

Mr. DOUGHTON. Mr. Chairman, the purpose of this amendment is to get rid of the import taxes, except on those enumerated in subsection (d). It strikes out the tax on everything else contained in this sales tax.

Mr. LEWIS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. LEWIS. If the amendment should be adopted, would that mean that the oil section of this sales tax bill would be also adopted?

Mr. DOUGHTON. It would be left as it is, for future action of the committee.

Mr. UNDERHILL. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. Yes.

Mr. UNDERHILL. I appeal to the gentleman from North Carolina, that until we know more about what we have done this afternoon, either through the newspapers or through the RECORD or by radio or in some other manner, we better not adopt any more amendments. I ask the gentleman from North Carolina or the gentleman from Georgia or the gentleman from Illinois, to move that the committee do now rise, so that we may have a chance to ascertain what we have done, and I do this in the interest of orderly procedure and in the interest of the reputation of this House.

Mr. DOUGHTON. This merely completes the action proposed in my first amendment. I insist on a vote.

Mr. LA GUARDIA rose.

The CHAIRMAN. For what purpose does the gentleman rise?

Mr. LA GUARDIA. In support of the amendment offered by the gentleman from North Carolina.

The CHAIRMAN. The gentleman from New York is recognized.

SEVERAL MEMBERS. Let us have the amendment again reported.

The CHAIRMAN. Without objection, the Clerk will again report the amendment of the gentleman from North Carolina, and the paragraph as it will read if the amendment be adopted.

The Clerk read as follows:

Amendment offered by Mr. DOUGHTON: Page 226, lines 8 and 9, strike out the words "of 2¼ per cent ad valorem (except," and in line 10 strike out all after the word "States," down to and including the word "exempted," in line 22.

So that the paragraph will read:

(b) In addition to any other tax or duty imposed by law there shall be imposed a tax as provided in subsection (d) on every article imported into the United States.

Mr. LA GUARDIA. Mr. Chairman, I have asked for this time simply to recall to the committee the statement made by the gentleman from Georgia [Mr. CRISP], that the real test on the sales tax will be made on paragraph (a). It will be recalled the gentleman stated that he would abide by the vote on the Doughton amendment and that he would not oppose further amendments to carry out the will of the House eliminating all sales tax provisions. That has just been stricken from the bill by the committee. The amendments which will follow are simply carrying out the will of the committee. I am sure the gentleman from Massachusetts does not want the record to show, to use his own words, that "no one here knows what the committee has done to-day." I say to the gentleman from Massachusetts that if he does not know what we did to-day he is the only person in the United States who does not know it.

Mr. UNDERHILL. Will the gentleman yield?

Mr. LA GUARDIA. For the information of the gentleman from Massachusetts [Mr. UNDERHILL], I will say that what we did was to strike out paragraph (a) of section 601, which means that the House disapproves of the sales tax and that it is entirely stricken from the bill.

Mr. UNDERHILL. Will the gentleman yield, now?

Mr. LA GUARDIA. Yes.

Mr. UNDERHILL. What did we do before that?

Mr. LA GUARDIA. Before that we adopted the amendment offered by the gentleman from Georgia [Mr. CRISP], with other amendments exempting additional articles, and now it all went out of the window. [Applause.]

Mr. JOHNSON of Washington. Will the gentleman yield?

Mr. LA GUARDIA. Yes.

Mr. JOHNSON of Washington. I know the gentleman from New York is trying to be fair.

Mr. LA GUARDIA. Certainly.

Mr. JOHNSON of Washington. The confusion for the moment was on the amendment offered by the gentleman from North Carolina [Mr. DOUGHTON] to strike out certain words, from line 7 to line 10, reading—

In addition to any other tax duty imposed by law there shall be imposed a tax as provided in subsection (d) on every article imported in the United States.

Now, we are ready to start writing a tariff bill. Let us write it.

Mr. LA GUARDIA. The section before the House, which the gentleman from North Carolina would strike out, is simply a compensating tariff to make up the 2¼ per cent manufacturers' tax, if that had been accepted. It is, so to speak, the enacting clause of the provisions that follow. That leaves sufficient wording in the paragraph to carry out the intent as to the import tax, in the event that paragraph (d) remains in the bill. Please note that all that is left is the necessary enacting clause for the import provisions of paragraph (d). If paragraph (d) goes out of the bill, then according to the unanimous consent already obtained by the gentleman from Georgia we revert back to (b), and the remaining provision goes out, too.

Mr. BLANTON. Will the gentleman yield?

Mr. LA GUARDIA. Yes.

Mr. BLANTON. It was the understanding between the gentleman from North Carolina [Mr. DOUGHTON] and the gentleman from Georgia [Mr. CRISP] and with the committee that if the motion of the gentleman from North Carolina to strike out paragraph (a) prevailed, then the gentleman from Georgia and his committee would offer no resistance whatever to the other motions of the gentleman from North Carolina to strike out succeeding paragraphs in the sales-tax section, and they are offering no resistance.

Mr. LA GUARDIA. No; of course not. That is clear. The House having voted against the sales tax, all reference to it by agreement will go out, as a matter of course.

Mr. BLANTON. So there ought not be any trouble about this present motion to strike out that portion of paragraph (b) within the agreement made.

Mr. LA GUARDIA. Of course not.

Mr. CRISP. Mr. Chairman, may I make this suggestion, in the interest of all of us and in the interest of the bill: I think, according to the vote of the committee a while ago, the manufacturers' tax title is eliminated, and, as far as I am personally concerned, I am willing to give unanimous consent to strike out all of the remaining paragraphs relating to the manufacturers' sales tax.

There are three or four other items in that title that are not connected in any way with the 2¼ per cent manufacturers' sales tax. For instance, there is a provision there levying a specific tax upon lubricating oil, on imported oil and gasoline, on wort, and on grape concentrate. I would like to see this done, if it is agreeable to the House—to strike out the remaining sections of that paragraph, then let the committee rise and to-morrow begin consideration of these special items left in the tax title. I will call the Ways and Means Committee to meet at 10 o'clock to-morrow morning. If this agreement is accepted, this will be notice

to the Committee on Ways and Means that they are called to meet at 10 o'clock to-morrow morning. Then I hope the Committee on Ways and Means may be able to recommend to you again some other provisions to raise revenue. Whether or not it meets your approval is for you to decide when it comes in.

Mr. BRITTEN. Will the gentleman yield for a question?
Mr. CRISP. I yield.

Mr. BRITTEN. Does the gentleman think that after his meeting to-morrow morning in the Committee on Ways and Means the committee is at all likely to give serious consideration to that revenue-collecting measure called a tax on beer, that will provide five or six or seven hundred million dollars of easy money for the Treasury?

Mr. CRISP. I do not think so, but the gentleman from New York to-morrow is going to offer an amendment to that effect, and the Committee of the Whole House on the state of the Union will have an opportunity to express its view about it.

Mr. SCHAFER. Will the gentleman yield?

Mr. CRISP. I yield.

Mr. SCHAFER. Do I understand that the gentleman states he has agreed to take out all the manufacturers' sales tax provisions of this title, and that will also include the 30 per cent manufacturers' sales tax on malt and malt sirup used for food, used by bakers, and used for medicine for children?

Mr. CRISP. No. My request would be to leave in all these special excise taxes for the committee to consider when they next get the bill.

Mr. SCHAFER. Well, that is a manufacturers' sales tax of 30 per cent.

Mr. CRISP. Instead of being 2½ per cent, that is 30 per cent.

Mr. PARSONS. Will the gentleman yield?

Mr. CRISP. I yield.

Mr. PARSONS. The amendment offered by the gentleman from North Carolina [Mr. DOUGHTON] begins with section (b). Under the gentleman's arrangement, the gentleman would propose to strike out the remaining part of the section down to (d), line 9, page 228; beginning with line 7, page 226, strike out down to and including line 8 on page 228.

Mr. BLANTON. But the pending motion ought to be adopted first.

Mr. CRISP. Mr. Chairman, I move that the committee do now rise.

The CHAIRMAN. The question is on the motion of the gentleman from Georgia [Mr. CRISP], that the committee do now rise.

Mr. CRISP. Mr. Chairman, after conference with the majority leader and some of the others, I ask unanimous consent to withdraw my motion that the committee rise.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. RAINEY. Mr. Chairman, the situation is perfectly simple. The sales tax has been defeated. There is no question about that. Nobody knows that better than I do. The motion offered by the gentleman from North Carolina [Mr. DOUGHTON] is a perfecting motion. It is to take from the bill every vestige of the sales tax and leave these other things, like malt sirup and the rest of them.

The whole matter is settled when there is an affirmative vote on Mr. DOUGHTON's amendment. It ought to be unanimous and get through with it.

Mr. BLANTON. Mr. Chairman, I demand the regular order.

The CHAIRMAN. The question is on the amendment of the gentleman from North Carolina.

The amendment was agreed to.

Mr. CRISP. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. BANKHEAD, Chairman of the Com-

mittee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 10236) to provide revenue, equalize taxation, and for other purposes, and had come to no resolution thereon.

EXTENSION OF REMARKS—THE SALES TAX

Mr. FREAR. Mr. Speaker, the result of the long and hard fought "consumption-tax" proposal is found in the vote by tellers that rejected the tax 223 to 153, or a majority of 70 against the tax. This speaks for itself.

For many years foes of the income-tax proposal have contested at every step every effort to "tax according to ability to pay." With annual incomes ranging from below \$10,000 to \$10,000,000, and with \$3,500 exemptions for married couples, many of these men bitterly fought the first income tax law at every step. Finally they won the first battle by a 5 to 4 decision in the Supreme Court, which declared that law unconstitutional. Then the people of this country became aroused and wrote into the Constitution the sixteenth amendment, which contained a specific provision that "Congress shall have power to lay and collect taxes on incomes." This Congress did a second time.

Again great opposition influences sought to have the Supreme Court set aside the will of the people by a decision exempting undistributed corporation profits and "stock dividends" that thereby avoided distribution of profits. Again the Supreme Court by a 5 to 4 decision partially emasculated the income tax law by holding such tax evasions could not be reached by Congress. Thereupon an estate tax law to reach tax-free securities, and when avoided by gifts during life a tax has been placed in the pending bill to prevent evasion of the tax.

In the RECORD of March 11 and 17 I disclosed at length how favored holders of large wealth have constantly sought to evade this law in Congress and in the courts. That tax now graduated from 1 to 20 per cent, with \$3,500 exemption, only averages 10 per cent on incomes of \$100,000 annually and 20 per cent above that large return. Graduated increases should be averaged accordingly. I absolve the committee from any unfair purpose, but its unanimous and sudden report to lay a \$600,000,000 increased tax on consumption necessities of 120,000,000 people, whether rich or poor, with an estimated increase in prices on such necessities of possibly over \$2,000,000,000 annually, is hard to understand. Many men of large wealth have heretofore advocated a sales tax to be substituted for the Federal income tax.

A sales tax with increased rates is urged by Mr. Hearst and many others "to replace the income tax." Not one tax expert of standing has recommended this unjust tax, while I have offered testimony from a score of high-class experts who in the past have appeared against any such indefensible proposal that tax is now defeated.

Letters of commendation are many. One at hand reads:

March 23, 1932.

DEAR MR. FREAR: I congratulate you on the letter opposing a sales tax you sent your fellow Members. If you will furnish me * * * of this letter I will mail one to every official of the Farmers Union * * *.

Yours truly,

JOHN A. SIMPSON, President.

In support of the splendid contest waged by others who took over the burden that was largely mine, when last before the House, I sent the letter which reads:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., March 21, 1932.

DEAR COLLEAGUE: The Democratic leader closed a tax debate Saturday, March 19, by charging that House action resenting a sales tax and increasing income taxes was "nearer communism than any other country in the world except Russia." That same day the politically powerful Hearst papers demanded a "Federal sales tax and excise tax, to replace the income tax." That is the issue. The income tax has always been fought in Congress and in the courts by wealth. What about "communism?"

Shortly after the revolution, with Senators KING and LADD, I traveled 8,000 miles through Russia interviewing workers on farms, in mines, in factories, President Kallinin, and others. Their revolution, they alleged, resulted from concentration of practically all wealth in the hands of the czar and nobility, accom-

panied by extreme poverty of the masses and cruel oppression. That resulted in Russian communism.

Our Government is founded on the Constitution and equal rights of its citizens. We are representatives of the people, responsible in part for their welfare, and none would exchange this Government for any other. In this land, however, men like Rockefeller, Ford, the Mellon, have amassed wealth in single families reported to reach 10 figures. Thousands of others have accumulated large fortunes until we are advised 5 per cent of our people now own or control 75 per cent of all the fluid wealth of the country. A balanced Budget is also now demanded.

The issue is a \$600,000,000, with added profits, consumption tax suddenly presented. It is offered as an alternative for a "Treasury tax" program. No reason is offered for confining legislative action to either.

In the RECORD of March 17 President Green, American Federation of Labor, is quoted saying this tax will increase cost of "clothes, shoes, necessities, including a large percentage of food-stuffs. It will "add to the misery, want, and woe now in the land." The National Grange writes 27,000,000 people on farms will be further oppressed by the proposed tax. The Farm Bureau says a sales tax is based on "the necessity to consume." The Farmers Union says this tax has aroused more apprehension than any other measure since the war. The National Democratic Convention, 1924, declared, "We oppose the so-called sales tax * * * that unfairly shifts to the consumer the burdens of taxation."

England has always rejected it. Our income-tax rates are far lower than those of England, France, or Germany. (RECORD, p. 6393.) So, too, our estate and other taxes. Tax experts and eminent authorities quoted in above RECORD all denounce a consumption tax, now planned to relieve the rich by "soaking the poor." If once adopted, it can not be removed. Green, Simpson, Gray, Brenckman, and others warn us against a tax that encourages "communists" more than any act ever before pressed on Congress. These officers speak for many millions of our people. Lest we forget, we represent them too.

Sincerely yours,

JAMES A. FREAR.

I do not believe any further attempt will occur this session at either end of the Capitol to enact a consumption tax. After some experience in the circuitous methods of procedure used by agencies that have attacked the income tax repeatedly in Congress and the courts, I do say the tax will again bob up and find many supporters, who again will seek with holders of large wealth and large incomes to substitute some form of sales tax for the tax on incomes and estates.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1590. An act granting certain public lands to the State of New Mexico for the use and benefit of the Eastern New Mexico Normal School, and for other purposes.

ADJOURNMENT

Mr. CRISP. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 52 minutes p. m.) the House adjourned until to-morrow, Friday, March 25, 1932, at 12 o'clock noon.

COMMITTEE HEARINGS

Tentative list of committee hearings scheduled for Friday, March 25, 1932, as reported to the floor leader by clerks of the several committees:

BANKING AND CURRENCY

(10 a. m.)

Hearing, home-loan subcommittee.

NAVAL AFFAIRS

(10 a. m.)

Private bills.

POST OFFICE AND POST ROADS

(10.30 a. m.)

To regulate the manufacture and sale of stamped envelopes (H. R. 8493 and H. R. 8576).

COINAGE, WEIGHTS, AND MEASURES

(10 a. m.)

Silver investigation.

PATENTS

(10 a. m.)

Copyright bill.

DISTRICT OF COLUMBIA

(10.30 a. m.)

Subcommittee on the Judiciary, District of Columbia (H. R. 461 and H. R. 7752).

PUBLIC LANDS

Hearings discontinued.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

502. A communication from the President of the United States, transmitting for the consideration of Congress, and without revision, a supplemental estimate of appropriation pertaining to the legislative establishment, Government Printing Office, for the fiscal year 1933, in the sum of \$500,000 (H. Doc. No. 283); to the Committee on Appropriations.

503. A letter from the executive secretary of the Near East Relief, transmitting a report for the year ending December 31, 1931, of the Near East Relief; to the Committee on the Judiciary.

504. A letter from the chairman of the United States Tariff Commission, transmitting a report of the United States Tariff Commission; to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. BLACK: Committee on the District of Columbia. H. R. 10273. A bill to establish a board of indeterminate sentence and parole for the District of Columbia and to determine its functions, and for other purposes; with amendment (Rept. No. 881). Referred to the Committee of the Whole House on the state of the Union.

Mr. WILSON: Committee on Expenditures in the Executive Departments. H. R. 10743. A bill to require the purchase of domestic supplies for public use and the use of domestic materials in public buildings and works; without amendment (Rept. No. 882). Referred to the Committee of the Whole House on the state of the Union.

Mr. BUTLER: Committee on the Public Lands. H. R. 9970. A bill to add certain land to the Crater Lake National Park in the State of Oregon, and for other purposes; with amendment (Rept. No. 886). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. KERR: Committee on War Claims. H. R. 3321. A bill for the relief of R. S. Howard Co. (Inc.); with amendment (Rept. No. 883). Referred to the Committee of the Whole House.

Mr. MARTIN of Oregon: Committee on War Claims. H. R. 6424. A bill granting jurisdiction to the Court of Claims to hear the case of David A. Wright; without amendment (Rept. No. 884). Referred to the Committee of the Whole House.

Mr. PETTENGILL: Committee on Military Affairs. H. R. 3627. A bill for the relief of James Wallace; with amendment (Rept. No. 885). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDRESEN: A bill (H. R. 10793) to establish and promote the effective merchandising of certain basic agriculture commodities in interstate and foreign commerce by the fixing of a minimum marketing price for such commodities; to the Committee on Agriculture.

By Mr. COCHRAN of Missouri: A bill (H. R. 10794) to consolidate and coordinate certain governmental activities

affecting the civil service of the United States; to the Committee on Expenditures in the Executive Departments.

By Mr. WOLCOTT: A bill (H. R. 10795) to extend the times for commencing and completing the construction of a bridge across the St. Clair River at or near Port Huron, Mich.; to the Committee on Interstate and Foreign Commerce.

By Mr. BLOOM: A bill (H. R. 10796) to amend section 9 of the act entitled "An act to amend and consolidate the acts respecting copyrights," approved March 4, 1909; to the Committee on Patents.

By Mr. VINSON of Georgia: A bill (H. R. 10797) to equalize tariff duties by compensating for depreciation in foreign currencies; to the Committee on Ways and Means.

By Mr. SIROVICH: A bill (H. R. 10798) for the safety of lives and the preservation of property at sea; to the Committee on Merchant Marine, Radio, and Fisheries.

By Mr. CRAIL: A bill (H. R. 10799) to make capital punishment the penalty for transporting kidnapped persons in interstate or foreign commerce, and for other purposes; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BLOOM: A bill (H. R. 10800) for the relief of Joe Setton; to the Committee on Claims.

Also, a bill (H. R. 10801) for the relief of Antoine J. Prunier; to the Committee on Military Affairs.

By Mr. COCHRAN of Missouri: A bill (H. R. 10802) granting a pension to Paul J. Wichman; to the Committee on Pensions.

By Mr. COOPER of Ohio: A bill (H. R. 10803) authorizing Richard T. Ellis, colonel in the United States Army, to accept the decoration of Officer of the Legion of Honor conferred upon him by the Government of France; to the Committee on Foreign Affairs.

By Mr. CRAIL: A bill (H. R. 10804) granting a pension to Pearl Bouchie; to the Committee on Pensions.

By Mr. DAVIS: A bill (H. R. 10805) for the relief of Gordon McGee; to the Committee on Military Affairs.

By Mr. DOETRICH: A bill (H. R. 10806) for the relief of Charles W. Buck; to the Committee on Military Affairs.

By Mr. ERK: A bill (H. R. 10807) granting an increase of pension to Kate S. Berry; to the Committee on Invalid Pensions.

By Mr. FINLEY: A bill (H. R. 10808) granting an increase of pension to Mary A. Choate; to the Committee on Invalid Pensions.

By Mr. GUYER: A bill (H. R. 10809) granting a pension to Mary E. Adams; to the Committee on Invalid Pensions.

By Mr. HERR: A bill (H. R. 10810) providing an appropriation of \$1,000 to search for Lieut. Edward D. Hoffman, lost while on flight in an Army bombing plane; to the Committee on Appropriations.

By Mr. HOUSTON of Delaware: A bill (H. R. 10811) for the relief of the Hamburg-American Line; to the Committee on Claims.

By Mr. MORTON D. HULL: A bill (H. R. 10812) granting an increase of pension to Mrs. Frank Talbot; to the Committee on Invalid Pensions.

By Mr. KURTZ: A bill (H. R. 10813) granting an increase of pension to Sarah C. Nicewonger; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10814) granting an increase of pension to Mary E. Askey; to the Committee on Invalid Pensions.

By Mr. MANLOVE: A bill (H. R. 10815) granting an increase of pension to Sarah E. Lewis; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10816) granting an increase of pension to Corinda C. Russell; to the Committee on Invalid Pensions.

By Mr. MURPHY: A bill (H. R. 10817) granting an increase of pension to Jennie G. Crabs; to the Committee on Invalid Pensions.

By Mr. PARSONS: A bill (H. R. 10818) granting an increase of pension to Susan B. Hill; to the Committee on Invalid Pensions.

By Mr. SUTPHIN: A bill (H. R. 10819) for the relief of John Parker Clark, jr.; to the Committee on Claims.

Also, a bill (H. R. 10820) for the relief of John Parker Clark, sr.; to the Committee on Claims.

By Mr. SWICK: A bill (H. R. 10821) granting an increase of pension to Dorothy F. Reed; to the Committee on Invalid Pensions.

By Mr. WEAVER: A bill (H. R. 10822) granting a pension to Fred F. Hill; to the Committee on Pensions.

By Mrs. WINGO: A bill (H. R. 10823) granting a pension to Vina Provence; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

4890. By Mr. ALDRICH: Resolution of Polish-American Citizens Club, of Anthony, R. I., urging passage of House Joint Resolution 144, directing the President to proclaim October 11 of each year as General Pulaski Memorial Day; to the Committee on the Judiciary.

4891. By Mr. BEAM: Resolution by Group No. 110 of the Polish National Alliance, memorializing Congress to enact House Joint Resolution 144, to proclaim October 11 of each year as General Pulaski's Memorial Day; to the Committee on the Judiciary.

4892. Also, resolution by Group No. 2653 of the Polish National Alliance, memorializing Congress to enact House Joint Resolution 144, to proclaim October 11 of each year as General Pulaski's Memorial Day; to the Committee on the Judiciary.

4893. By Mr. BLOOM: Petition of residents of New York City, protesting against the compulsory Sunday observance bill, S. 1202, entitled "A bill providing for the closing of barber shops on Sunday in the District of Columbia," or any other compulsory religious measures that have been or shall be introduced, such as House bill 8092; to the Committee on the District of Columbia.

4894. By Mr. BOHN: Petition of McArthur Auxiliary, No. 29, United Spanish War Veterans, Cheboygan, Mich., indorsing the Gasque bill, H. R. 7230, granting pensions to widows of all wars; to the Committee on Pensions.

4895. By Mr. CRAIL: Petition of the Women's Law Observance Association of Los Angeles, Calif., protesting against the repeal, resubmission, revision, or nullification of the eighteenth amendment; to the Committee on the Judiciary.

4896. By Mr. EVANS of California: Petition signed by the Granada Park Woman's Christian Temperance Union, protesting against any resubmission of the eighteenth amendment; to the Committee on the Judiciary.

4897. Also, petition signed by approximately 29 residents, protesting against compulsory Sunday observance; to the Committee on the District of Columbia.

4898. By Mr. EVANS of Montana. Resolution of Montana State branch of the National Woman's Party, urging submission to the States for ratification the equal rights amendment; to the Committee on the Judiciary.

4899. By Mr. FRENCH: Petition of 12 citizens of Washington County, Idaho, protesting against compulsory Sunday observance; to the Committee on the Judiciary.

4900. By Mr. GARBER: Petition of Beaver Post, No. 149, American Legion, Beaver, Okla., supporting the payment of adjusted-compensation certificates; to the Committee on Ways and Means.

4901. By Mr. GILCHRIST: Petition signed by 112 citizens of Burt, Iowa, and vicinity, protesting against the admission tax on the lower admission classifications and any sales tax, stating that such tax would be injurious and detrimental to the business in their community; also stating that such a tax would result in the closing of many theaters in their territory and further increase the number of unemployed; to the Committee on Ways and Means.

4902. By Mr. GLOVER: Resolution of the Legislature of Arkansas; to the Committee on Ways and Means.

4903. Also, resolution of King Belser Post, No. 94, of Arkansas City, Ark.; to the Committee on Pensions.

4904. By Mr. JOHNSON of Texas: Petition of Thomas Bell, route 3, Hubbard, Tex., favoring immediate cash payment of adjusted-service certificates; to the Committee on Ways and Means.

4905. Also, petition of Dr. E. E. Thomas, of Prairie Hill, Tex., favoring a tax on crude oil imported from foreign countries; to the Committee on Ways and Means.

4906. Also, petition of W. M. Rutherford and 40 other citizens of Thorndale, Tex., favoring immediate cash payment of adjusted-service certificates; to the Committee on Ways and Means.

4907. Also, petition of T. K. Morris, secretary chamber of commerce, Itasca, Tex., and 34 other citizens of Itasca, favoring House bills 6305 and 8684; to the Committee on the Post Office and Post Roads.

4908. By Mr. KELLER: Petition of Local Union No. 639, United Mine Workers of America, Sesser, Ill., urging the passage of Senate bill 2793; to the Committee on Interstate and Foreign Commerce.

4909. Also, petition of Egyptian Lodge, No. 365, of the Brotherhood of Railway Carmen of America, asking for support and passage of House bill 9891; to the Committee on Interstate and Foreign Commerce.

4910. Also, petition of Rotary Club of Zeigler, Ill., favoring the passage of Senate bill 2793, extending to Interstate Commerce Commission power to regulate busses and trucks engaged in interstate commerce; to the Committee on Interstate and Foreign Commerce.

4911. Also, petition of city of Sparta, Ill., favoring enactment of legislation to regulate the use of the public highways by busses and trucks; to the Committee on Interstate and Foreign Commerce.

4912. Also, petition of FitzPatrick Post, No. 32, American Legion, Mound City, Ill., urging the passage of House bill 1, for the payment of the balance of the adjusted compensation; to the Committee on Ways and Means.

4913. By Mr. MEAD: Petition of Group No. 2135, Polish National Alliance, urging enactment of House Joint Resolution 144; to the Committee on the Judiciary.

4914. By Mr. PARKER of Georgia: Petition of Col. William L. Grayson and five other citizens of Savannah, Ga., urging enactment of legislation regulating busses and trucks carrying passengers and freight in interstate commerce; to the Committee on Interstate and Foreign Commerce.

4915. Also, resolution of the Savannah (Ga.) Chamber of Commerce, protesting against any change in the control and operation of rivers and harbors development; to the Committee on Rivers and Harbors.

4916. Also, petition of Eugene Talmadge, commissioner of agriculture of the State of Georgia, and James D. Gunn, president Peerless Basket Co., of Cuthbert, Ga., protesting against certain phases of proposed tax legislation; to the Committee on Ways and Means.

4917. Also, petition of John E. Hall and 26 other ex-service men of Toombs County, Ga., urging the enactment of House bill 1; to the Committee on Ways and Means.

4918. By Mr. RAINEY: Petition of W. C. Vaas and 50 other citizens of Centralia, Ill., favoring a reduction in the cost of running the Government; to the Committee on Appropriations.

4919. By Mr. RUDD: Petition of the American Alliance of the United States, favoring protection for American labor and industry, and protesting against the importation of Soviet products; to the Committee on Labor.

4920. Also, petition of American Manufacturing Co., Brooklyn, N. Y., opposing the passage of House bill 8559; to the Committee on Agriculture.

4921. Also, petition of Whitaker & Co., New York City, favoring the Baldrige bill, H. R. 7430, and the Andresen bill, H. R. 9971; to the Committee on the Judiciary.

4922. Also, petition of Pan American Petroleum & Transport Co., New York City, with reference to House bill 9256, relating to certain sections of the proposed bill; to the Committee on Merchant Marine, Radio, and Fisheries.

4923. Also, petition of Richard Hudnut Co., New York City, opposing an excise tax higher than the proposed sales tax on cosmetics; to the Committee on Ways and Means.

4924. Also, petition of Massachusetts Fisheries Association, Boston, Mass., opposing a tax on imported oil and on lubricating oil; to the Committee on Ways and Means.

4925. Also, petition of American Manganese Producers' Association, favoring a tax of 1 cent per pound on imported manganese; to the Committee on Ways and Means.

4926. Also, petition of Pauline Platek, of Brooklyn, N. Y., opposing the manufacturers' sales tax; to the Committee on Ways and Means.

4927. Also, petition of L. Isaacson & Son, opposing the manufacturers' sales tax; to the Committee on Ways and Means.

4928. Also, petition of Graham County Chamber of Commerce, Safford, Ariz., favoring a 5-cent tariff on foreign copper, as proposed by Mr. DOUGLAS of Arizona; to the Committee on Ways and Means.

4929. Also, petition of Bushwick Heights Democratic Club, Brooklyn, N. Y., and George R. Carmody, executive member, opposing the proposed sales tax; to the Committee on Ways and Means.

4930. Also, petition of Actors Equity Association, New York City, favoring the Connery amendment to the revenue bill exempting the legitimate drama from the proposed 10 per cent tax; to the Committee on Ways and Means.

4931. By Mr. SANDERS of New York: Petition signed by Frank W. Mathews and 37 others, members of the Smith-Warren Post, No. 367, American Legion, of Monroe County, favoring the immediate payment of the balance of the face value of the adjusted-compensation certificates; to the Committee on Ways and Means.

4932. By Mr. SELVIG: Petition of Hallock American Legion Post, unanimously favoring the bonus; to the Committee on Ways and Means.

4933. Also, petition of American Legion Auxiliary of Ada, Minn., supporting the widows and orphans' bill; to the Committee on Pensions.

4934. By Mr. SWICK: Petition of Florence C. Keck and five other residents of Butler and Great Belt, Butler County, Pa., urging the enactment of legislation for the immediate payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4935. Also, petition of the Woman's Christian Temperance Union of Conoquenessing, Butler County, Pa., protesting against the resubmission of the eighteenth amendment to the Constitution to the State legislatures or conventions; to the Committee on the Judiciary.

4936. Also, petition of Thomas Frish and five other residents of Evans City, Butler County, Pa., urging the enactment of legislation providing the full payment of adjusted-service certificates; to the Committee on Ways and Means.

4937. Also, petition of Roe S. Johnston and five other residents of Renfrew and Valencia, Butler County, Pa., urging the enactment of legislation providing for the payment in full of adjusted-service certificates; to the Committee on Ways and Means.

4938. Also, petition of Ralph C. Lacy and five other residents of Euclid, Butler County, Pa., urging the enactment of legislation providing for the immediate full payment of adjusted-service certificates; to the Committee on Ways and Means.

4939. Also, petition of A. F. Hetrick and five other residents of Chicora, Butler County, Pa., urging the enactment of legislation providing for the immediate full cash payment of adjusted-service certificates; to the Committee on Ways and Means.

4940. Also, petition of Percy V. Leighton and five other residents of Karns City and Chicora, Butler County, Pa., urging the immediate enactment of legislation for the payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4941. Also, petition of Group No. 1013 of the Polish National Alliance of the United States, J. F. Tomaszewski,

secretary, 405 Eighth Street, Ambridge, Pa., urging the enactment of House Joint Resolution 144, directing the President of the United States to proclaim October 11 of each year as General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

4942. By Mr. WYANT: Petition of 80 railroad employees of Derry, Westmoreland County, Pa., urging support of a pension plan; to the Committee on Interstate and Foreign Commerce.

4943. Also, petition of 40 railroad employees of western Pennsylvania, urging support of Senate bill 3677 and House bill 9891, as sponsored by Railroad Employees' National Pension Association (Inc.); to the Committee on Interstate and Foreign Commerce.

4944. Also, petition of Women's Adult Class of the Sabbath school of the Methodist Episcopal Church of West Newton, Pa., protesting against any change in present prohibition laws; to the Committee on the Judiciary.

4945. Also, petition of the Ladies' Class of the Sabbath school of the Methodist Episcopal Church of West Newton, Westmoreland County, Pa., protesting against any change in present prohibition laws; to the Committee on the Judiciary.

4946. Also, petition of Group No. 2357, Polish National Alliance, Latrobe, Pa., urging enactment of legislation designating October 11 of each year as General Pulaski's Memorial Day; to the Committee on the Judiciary.

4947. Also, petition of Men's Bible Class of the Sabbath school of the Methodist Episcopal Church of West Newton, Pa., protesting against any change in present prohibition laws; to the Committee on the Judiciary.

4948. Also, petition of Young Women's Bible Class of the Sabbath school of the Methodist Episcopal Church of West Newton, Pa., protesting against any change in present prohibition laws; to the Committee on the Judiciary.

4949. By the SPEAKER: Petition of the Charles E. Nelson Post of the American Legion, Keyport, Wash., urging immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

HOUSE OF REPRESENTATIVES

FRIDAY, MARCH 25, 1932

The House met at 12 o'clock noon.

The Rev. John Compton Ball, pastor of the Metropolitan Baptist Church, Washington, D. C., offered the following prayer:

Our Heavenly Father, as we bow in Thy divine presence this morning, we are not unmindful of the solemnity of this day and what it commemorates in the history of the world. As far as we are able to measure time, one thousand nine hundred and two years ago Thou didst reveal unto us, through Thy Son, the greatest evidence of love which our hearts have ever known; and we come in deep gratitude to Thee and thank Thee for what was done by the Lord Jesus Christ for us on Calvary's cross and to pray, as He prayed, that not His will but Thine might be done. So in our hearts and in our lives may our will be submitted to Thine in our own personal affairs and with regard to the greater affairs that have to do with our land. Let Thy blessing rest upon all our deliberations to-day that we may look upon Thee, not merely as a God of power and of might and of wisdom but a God of love who is leading us, we believe, among the nations, and who hast for us the desire that we usher in the kingdom that shall bring peace throughout the length and breadth of the earth. To this end, guide every one of us, for Christ's sake. Amen.

The Journal of the proceedings of yesterday was read and approved.

CALL OF THE HOUSE

Mr. STEWART. Mr. Speaker, I raise the point that no quorum is present.

Mr. CRISP. Mr. Speaker, evidently there is not a quorum present. I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 33]

Abernethy	Dyer	Kennedy	Sirovich
Amble	Free	Kniffin	Smith, W. Va.
Beck	Freeman	Kurtz	Sparks
Beers	Gasque	Lewis	Spence
Buckbee	Gifford	Lozier	Stalker
Bulwinkle	Gillen	McGugin	Steagall
Busby	Golder	Parker, N. Y.	Stevenson
Carter, Wyo.	Gregory	Person	Strong, Kans.
Chapman	Griffin	Pettengill	Strong, Pa.
Collier	Hart	Pratt, Harcourt J.	Tucker
Corning	Haugen	Ramspeck	Vestal
Crump	Horr	Rayburn	Watson
Curry	Igoe	Reid, Ill.	Welsh, Pa.
Davis	Jenkins	Sabath	Wolcott
De Priest	Johnson, Ill.	Schuetz	Wood, Ga.
Dickstein	Kelly, Ill.	Selvig	Wood, Ind.
Douglas, Ariz.	Kendall	Shannon	

The SPEAKER. Three hundred and sixty-four Members have answered to their names, a quorum.

Mr. CRISP. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

Mr. CANNON. Mr. Speaker, I desire to announce that my colleague the gentleman from Missouri [Mr. LOZIER] is absent in Missouri, where he will deliver the keynote speech as temporary chairman of the Democratic State convention.

EXTENSION OF REMARKS

Mr. BOYLAN. Mr. Speaker, I ask unanimous consent to insert a very instructive cartoon in the RECORD.

The SPEAKER. That can not be done by unanimous consent.

Mr. BOYLAN. I understood, Mr. Speaker, it was optional or discretionary with the Committee on Printing, and may the matter be referred to them, sir?

The SPEAKER. The gentleman's remedy is to apply to the Joint Committee on Printing or to change the statute in this particular.

Mr. BLANTON. I object, Mr. Speaker.

THE UNKNOWN SOLDIER

Mr. DRANE. Mr. Speaker, I ask unanimous consent to publish in the RECORD a speech made at the auditorium in the Arlington National Cemetery on May 10, 1931—Mother's Day—on the subject "I Knew the Unknown Soldier," by Hon. RUTH BRYAN OWEN.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

ADDRESS OF HON. RUTH BRYAN OWEN, OF FLORIDA, AT ARLINGTON NATIONAL CEMETERY, MAY 10, 1931

I knew the Unknown Soldier, that composite of the youth of our Nation and of other nations who answered the call to arms in the World War.

I first saw him as he marched through the streets of London, one of the "first hundred thousand." The sky was heavy with clouds and the pavements dark and shiny with rain. Only a few of the troops were clad in military uniforms. Many marched just as they had left the bench in the factory or the stool in the office. We were almost within sound of the guns there—thundering guns heralding the oncoming storm of war. So certainly were these first troops under sentence of death that there was no cheering in the streets as they passed. Bystanders with bared heads stood at attention in silence. But the Unknown Soldier was singing as he strode along. "It's a Long, Long Way to Tipperary," he sang to the thud of tramping feet on the wet pavement.

I saw him again where he was sent back to a rest camp on the edge of the desert after months of fighting. There was not much to suggest repose in that cluster of blisteringly hot tents set down in a waste of yellow sand. But there was a chance to slacken taut nerves and tired muscles. In the big recreation pavilion there were concerts under the flare of gas lights, while silver moonlight whitened the sands of the desert all around us. I wondered why the troops liked to sing these plaintive home and mother songs, with an ocean and a battle front separating them from their own firesides. Leaning back against the rough benches, with half-closed eyes, they sang about the long, long trail a'winding to the land of their dreams. And they whistled tunes from the music halls with a lift and a swing to them, and forgot for an hour the mud and blood and anguish of the front line.

I next saw the Unknown Soldier when a slight wound had sent him into one of the stationary hospitals. Neither wound nor hospital discipline could quench his infectious good spirits. I remember we had a little table on wheels which carried surgical dressings from one bedside to another. When the nurses were out of the ward for a moment he would parade down the aisle be-